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## Near East/South Asia Report

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29 January 1986

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IRAQ

NAVY COMMANDER DISCUSSES GULF WAR OPERATIONS

Riyadh AL-YAMAMAH in Arabic 6 Nov 85 pp 34-35

[Interview with unnamed Iraq Navy staff commodore by Walid al-Zubaydi; "Iran Will Imprison Itself If It Closes the Strait"; in Baghdad and Basrah, date not given]

[Text] For many months, the Iraqi Navy has directed effective strikes against some Iranian oil fields in the Arab Gulf region, including the "Nowruz", "Bahregan", and "Cyrus" fields. These strikes came at the same time as the Iraq air force was carrying out its strikes on Kharg Island.

In this interview conducted by the magazine AL-YAMAMAH with the Iraqi navy staff commodore commanding the Iraqi navy and coastal defenses, we held a number of discussions with this military commander who received us in his house and we completed the interview, by continual telephone contact with him in naval command headquarters in al-Basrah.

[Question] May we begin our conversation with the Iraq navy, which entered into a fierce war against an Iranian navy that was well-known to be superior to it before the war due to the outstanding capabilities provided for it in the time of Shah?

[Answer] I want to emphasize an important point--we do not want to talk about numbers and size, because the Iran-Iraq war has demonstrated that the outcome is not due to the strength or size of the naval power possessed by either of the two sides. If this were the case, then during the first months of the war when Iran had superiority it would have consolidated its domination over all the Arab Gulf, from north to south. But everyone knows well the extent of the domination of the Iraqi navy--with its ample capabilities--over the northern area of the Arab Gulf, including the area to the south of Kharg Island and the area of the Iranian ports in the north of the gulf. We do not want to talk about numbers and size as much as we want to talk about the navy that has exerted its control over the north of the gulf, since this is an important area and most vital and given that the economic installations, including the most important Iranian ports, depend on it. This includes the ports of Bandar and Shahr [presumably Bandar-e Mah Shahr] and the port of Bandar Khomeyni, which is one of the most important ports used by Iran for transportation, in spite of the very great damage inflicted on it. Iran persists in using it

even as the damage increases. But finally, in the month of November, complete control was imposed over it and consequently Iran finally gave up on the port of Bandar Khomey-ni and has not used it since that time.

[Question] Since when, exactly?

[Answer] Since October [as published] 1984. The destruction of the port of Bandar Khomeyni was finally completed on that date. And it is still out of commission. Therefore, we have imposed our control at this time over large and important areas of the northern part of the Arab Gulf...the area important for Iran.

[Question] Are you pleased with the size of the Iraqi navy?

[Answer] We are extremely optimistic and relaxed about the size and strength of our navy, because it is of a logical and balanced size. We were fortunate in our choice of weapons, and, consequently, the results were positive, thank God.

[Question] May we pause with you on the Iraqi navy? What was, and what is its size now?

[Answer] Of course. At the beginning of the war, the navy was responsible for what were primarily defensive duties, but with the support of the leadership and the direct support of president Saddam Husayn, I can say that after the war the size of the navy did not stay the same as it was before the war. In weapons and equipment, it grew beyond what it had been at the beginning of the war. This is necessary for battle. Moreover, given our capabilities and Iraqi intelligence, we were able to get more use from existing weapons and to realize very positive results and returns in the battlefield. In this way we have excellent expertise and we are certain that we will achieve our battle objectives.

[Question] Was it the war and its circumstances that imposed this development on the Iraqi navy, or were there previous plans?

[Answer] The Iraqi leadership has been concerned with the navy for many years, and drew up the plans necessary to rebuild it many years before the war.

[Question] The navy has recently begun to concentrate on Iranian oil wells and fields. What effect have your strikes against these targets had on the war and the situation in Iran?

[Answer] The economic targets are still the means of financing the war. Moreover, it is well known that Iran has used its petroleum resources to finance and use war materiel rather than for the benefit of the Iranian people. This has been emphasized since the coming of the new regime in Iran. Even though the economy should serve peace, the leaders in Iran are opposed to that and are using the Iranian economy for war and destruction...and this at a time when Iraq is continuing to call upon Iran for peace. But they persist in

and continue with the war. We have stated, for a long time, that we will not inflict damage and destruction on the Iranian people by damaging their economic installations. In order that we not deepen the wounds, we are making it more clear and effective. We have tried not to leave deep effects. But the leaders in Iran have continued in their path and their insistence on destroying everything in Iran. Therefore, though we were patient for a long time, we were forced to use methods that we had refused to use for a long time. This will hurt Iran and inflict great damage on it. We have warned Iran for a long time, but they have not taken our warnings seriously, even though they know how great our destructive capabilities are. We have begun to hit and destroy the means of supplying the petroleum installations. These include the oil fields that usually are made up of a number of wells. Each one of them includes a number of pumps and means of transportation, such as the pipes that run to places from which oil can be exported. Among these fields scattered over the Arab Gulf region are the Nowruz area and the Bahregan field. The Nowruz field is considered one of the principle sources of supply for Kharg Island and other petroleum installations.

[Question] What is your evaluation of the recent strikes directed against the Nowruz and Bahregan fields?

[Answer] I can say that the two strikes were destructive strikes, inasmuch as destruction of the principle stations of the wells and destruction of the fields was very widespread and the proportion of destruction was very high. We hit the Nowruz field on 2 March 1983. It continued to burn for a long time, for a number of weeks, at which point the Iranians claimed to have repaired the well, whereupon we attacked and set it afire again. We will keep the fires burning in it until the end of the war. I say this, and I am sure that the Iranians understand this, because they know well our destructive capabilities. The Bahregan field is also among the most important fields.

[Question] When the Nowruz field was hit in 1983, I noticed, as a result of the leakage of enormous amounts of oil, an oil slick in the Arab Gulf, which stirred up a great outcry. Do you think that hitting the wells will ultimately lead to the appearance of such slicks?

[Answer] Such slicks appear as a result of effective and powerful strikes, or, rather, those that are of a destructive nature. Consequently, the volume of pollution to which the water of the Arab Gulf will be subjected is also very large and will be harmful to its interests. We do not want this. We do not at all want to inflict any damage on the region, even of this type. But we are compelled to do it. You know that the appearance of the slick leads to the death of some living things. Continued pumping of the Iranian oil wells and continuation of their economy means continuation of the ferocious war, which has destroyed tens of thousands of human victims. Thus, we are in a forced situation. We are compelled to do this. The brothers in the Arab Gulf understand this position. We want the war to end and we wish that it did not affect anyone.

[Question] How do you view the repeated Iranian threats to close the strait of Hormuz?

[Answer] A while ago, commenting on the Iranian threats, president and leader Saddam Hussayn said that closing the strait of Hormuz by the Iranians would be like someone going into a vault and closing it on himself. This saying has a deep and far-reaching strategic view, because all of Iran's interests are in the Arab Gulf. How could they close the strait, which is the sole passageway for their exports and interests? If Iran were to do something like this, I believe this would be proof of political thoughtlessness. If it did this, it would endanger both its interests and those of the entire world, including the Arab Gulf states and those states that deal with them as a major source of petroleum in the world. Consequently, the volume of economic interchange between this region and the world is important, not just to the gulf but to the entire world. It is my belief that the world will never consent to Iran's controlling their interests. In short, it is not in Iran's interest to close the strait of Hormuz.

[Question] If Iran does undertake to close the strait of Hormuz, who will reopen this strait?

[Answer] The superpowers must assume their responsibility in this situation. I have been confident that, given the high level of capabilities that they possess, the Arab Gulf states would be able to defend their interests and to stop anything that is within its borders. Here I emphasize a matter invoked by president Saddam Husayn, to the effect that your brothers in Iraq are with you, with all of our capabilities and our naval and air power, if necessity calls, because our future is one and this is our Arab nation. We are fully prepared to stand by our brothers in the Arab Gulf.

[Question] How do you view naval power in the Arab Gulf region?

[Answer] There is no doubt that naval force in the Arab Gulf has made great strides, or that there are naval forces that have advanced rapidly in their preparations, capabilities and strengths. It pleases me, and I feel proud, whenever I think of the great development achieved by our fraternal naval force in the Kingdom of Saudi Arabia, particularly the "Dhat al-Suwari" project, by which Saudi Arabia acquired a number of frigates of outstanding capabilities, armed with all means of modern battle, including rockets, guns, modern fire-control systems and command-and-control systems, in addition to a number of characteristics that strengthen this navy that is considered, relatively, to be quite large, particularly if we take into consideration aspects of size, abilities and armament. Furthermore, the growth and development of a navy in Kuwait can be observed, along with those in Qatar, Bahrain and the Emirates, which have light and capable naval units. Thus, we are happy when we see the strength of our brothers growing in this manner, such that it makes us feel confident that we have the leaders to defend this region.

[Question] How do you explain Iran's resorting to maritime piracy recently?

[Answer] There are a number of aspects contained in this issue. The first is the military aspect, which explains the extent of the failure of the Iranian navy in actual battle. If it were capable of battle it would have fought the

Iraqi navy in the area in which its interests are exposed to the Iraqi navy, and it would have fought the Iraqi air force inasmuch as it had the means to defend against it. The fact that this navy, which has these abilities, neglects its vital objectives and withdraws into the interior of the gulf or the south of the gulf, and, given the battles that have taken place there, can have only one explanation, which is that it is not able to fight the Iraqi navy. The result has been that they have lost about half of thier navy, in view of which they have been forced to preserve what they have left and to preserve their self-respect. Consequently, they went to the south of the Gulf to interfere with civilian ships, in violation of laws and statues, since these ships are going to neutral countries with no involvement in the war. There are other aspects that, in their totality, point to the madness of Iranian policy, the lack of its clarity and the confusion of the various pillars of the regime in Iran.

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IRAQ

# STRATEGY AGAINST IRANIAN ECONOMIC BASES ANALYZED

Baghdad AL-JUMHURIYAH in Arabic 6 Nov 85 p 3

[Article by Dr Bashir al-'Ilaq: "Iraq's Strategy of Depriving the Tyrants of Economic Resources--The Collapse of the Bases of the Enemy Economy"]

[Excerpt] As political observers and military and economic analysts observe, the decisions to destroy the Iranian economic installations emanate from the highest office of the state in special detailed directives from the president, leader and fighter Saddam Husayn personally.

The analysts and observers affirm that the Iraqi leadership made very detailed calculations when it decided to destroy the Iranian economic installations. This means that most of the destroyed targets possess great strategic importance, and consequently the effects on Iran will be disastrous. The fact is that the president leader has already affirmed "that it is up to the Iranians to preserve their self-respect through a bold, careful, intelligent decision to end the war. Without that, we will shell the battlefield and anywhere deep inside Iran from the land, air and sea." Likewise, his excellency cautioned the Iranians, saying "We are giving them an opportunity, and if they do not then our decision is to destroy all economic and information links. They certainly know that no point in Iran is beyond the reach of the Iraqis. What has been destroyed during the past 2 months is equivalent to what has been destroyed in Iran since the beginning of the war." And he gives proof of this. "It is certain that the destruction will remove the supports that made them continue the war until they take the road to peace."

The emphasis by struggling leader president Saddam Husayn that no point in Iran is beyond the reach of the Iraqis came to remind the rulers of Iran that their hopes and wishes today concerning their "revolutionary plans" to extend a pipeline along the coast to Bandar 'Abbas to export what Kharg Island is unable to export due to its destruction are merely daydreams. They know well now, after more than 5 years of brilliant Iraqi victories, that Iraq possess the more skilled pilots, just as it possesses advanced weapons that are counted among the first rank of advanced weapons in the world. Therefore, propaganda and drum-beating such as this will not be beneficial, even for local consumption. Tangible reality confirms that there can be no doubt that the destruction of Kharg Island alone has begun to leave deep fissures and

irremediable effects on the body of Iran. The deepest and most serious effects, by far, are the petroleum, economic and military ones. From this point of departure, president leader Saddam Husayn emphasized that "Within one year, Iran will witness a situation that it has not seen before, and the Iranian people will call their leaders to account for the stupidity that they have committed against Iran and its interests." On more than one occasion, his excellency has emphasized that Iraq does not want to deprive the sons of the Iranian people of their wealth, but the rulers of Iran persist in using this wealth to destroy Iran rather than to build it. They use it first to finance and service implements of war directed against Iraq and the Arab nation, forcing the Iraqis to steer toward destroying them completely. It is inevitable, then, to target the economic installations of the enemy--on which they base their evil dreams--because these targets and installations are among the most important of the vital means remaining to Iran to finance battles and wars.

Iraq has always avoided striking petroleum targets in hope of restoring peace to the inhabited areas of the region. This remained a fixed course for Iraq until 5 August 1982, when president leader Saddam Husayn gave a widely known warning to the rulers of Iran. "If Iran persists in its obstinacy, then its basic vital targets will become those against which we will direct our air forces and other means more than other tactical targets."

Today, the tyrant rulers of Iran are paying a very heavy price for their pride and their persistence in lengthening the duration of the war and exposing the peace and security of the world to danger. The strategic plan that Iraq is carrying out today is to deprive the tyrants of their economic revenues. There is no going back. The decision to destroy all of the economic installations of the enemy will be carried out without exception. These tyrants must pay a great price for all of the crimes and disasters that they have committed against their suffering people and Iraq, on which they have imposed war, believing that they could destroy it and humiliate its proud people.

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IRAQ

## BAGHDAD INTERNATIONAL TRADE FAIR OPENS

Baghdad AL-QADISIYAH in Arabic 2 Nov 85 p 6

[Article by Jihad Kazim: "President Saddam Husayn's Patronage of the 22d Baghdad International Fair Is an Indication That Iraq Wants To Strengthen Economic Ties With Other Countries"]

[Text] Under the auspices of President Saddam Husayn First Deputy Prime Minister Taha Yasin Ramadan opened the 22nd Baghdad International Fair yesterday morning.

The opening ceremonies for the fair began with a rendition of the national anthem, followed by recitation of verses from the Koran.

Mr Taha Yasin Ramadan then gave the following address:

"Honored brethren, friends, and everyone who is here, I am very happy to have the honor of representing our leader, President Saddah Husayn--Long may he live!--at the opening of the 22d Baghdad International Fair. I also have the honor of delivering to you his greetings and wishes for a pleasant stay in Baghdad, and for victory, peace, progress, and success in your noble endeavors.

"Gentlemen, President Saddam Husayn's permanent high regard for the Baghdad International Fair indicates just how important Iraq's leaders consider this fair. It plays an important role in strengthening economic and trade relations among the countries of the third world and the developed countries. To a large extent it also helps to provide Iraq with suitable advanced high-technology industrial products which are required for construction and economic development. Moreover, the Baghdad International Fair provides the opportunity for international corporations and organizations to acquaint each other with the latest developments in industrial equipment in all fields.

"The current Baghdad International Fair is particularly important because it is being held while Iraq is pursuing its pioneering development under the leadership of President Saddam Husayn, despite the circumstances of the now more than 5 year old war. This war goes on because the gangster band in Iran insists on continuing its aggression against Iraq, while it rejects every international decision and effort to halt its acts of aggression, oblivious of

the harmful effects it is causing not only to Iraq and Iran, but to security and progress in the region. The international community, its various governments, institutions and organizations, have a great responsibility to take effective measures to apply pressure on Iran to accept peace and cease its evil policy of aggression."

#### Impressive Accomplishments

"During the 17 years since the revolution Iraq has gone through 3 national development plans to achieve rapid and comprehensive development, and to make the advances necessary for building a socialist society through maximum and equal mobilization of all available resources. We are doing this so the people of Iraq can achieve a better way of life economically and socially. This includes great progress for Iraq in every aspect of life. These plans have actually already achieved many impressive accomplishments which have brought about large increases in the national income and in personal incomes, and have raised the standard of living. From 1968 to 1984 the national income grew, at current prices, by a rate of 18 percent per annum. As a result, the per capita national income rose by 14.2 percent per annum at current prices, and personal income rose from 91.1 dinars per annum in 1968 to 760 dinars in 1984.

"There has also been real progress in agriculture. The area under cultivation expanded from 9.7 million dunams in 1976 to 13.1 million dunams in 1984. Production has improved significantly, rising from approximately 7.7 million tons a year in 1976 to 8.9 million tons a year in 1984.

"From the beginning the revolution has shown particular attention to the industrial sector in order to establish an advanced national industrial base which will help strengthen socialist development in our country. Investment in this sector rose from 39.5 million dinars in 1968 to 730.1 million dinars in 1984, or about 20 percent [per annum]. The manufacturing industry has developed nicely, with the value of its production, at current prices, rising from 66.5 million dinars in 1968 to 731.2 million dinars in 1984, for a composite growth rate of 14.3 percent.

"The revolution has also made great strides in the area of education. In an astonishing short time it has improved the quality of education and made education available to more people. It has enacted a free and compulsory education law. In the 1976-1980 national development plan investments allocated to the education sector were increased by 831 percent. The number of students in all stages of education rose from 1,321,419 in 1968 to 4,85,785 [as published] during the 1984-85 school year, an increase of 209 percent."

#### Expanded Health Services

"In implementing the program of the socialist revolution the country has made great strides in health services. A health insurance law and a medical graduation law have been enacted. A number of hospitals, health units and poor peoples' clinics have been opened to provide the best health services for the

citizens. There were 52 percent more families in 1984 than there were in 1968. There were 29 percent more hospitals in 1984 than there were in 1968. There were 48 percent more health units in 1984 than there were in 1968.

"The revolution has achieved extensive and rapid progress in transport and communications. The total length of paved roads rose from 4,500 km in 1968 to 205,567 km in 1984. The socialist sector had no role in the land transport sector before the revolution, but since the revolution it has played an important role. An overland transport agency has been established. During the period from 1975 to 1984, 64.7 million tons of cargo were transported over land, and there were 1.5 million overland passengers in the same period.

"Railroads have been improved and expanded, and modern technological methods have been introduced into the system. The capacity for carrying passengers and freight has increased with the availability of modern trains, coaches, and freight cars of various kinds. The number of rail passengers rose from 19.6 million during the period 1968-1974 to 34.3 million during the period 1975-1984. There is also a modern national road system in the capital, Baghdad, and the other governorates.

"We have also built a modern domestic and international expressway system of considerable length. It was built very rapidly."

#### Continued Development Despite the War

"Our pioneering development has continued despite the difficulties and obligations of war. Cooperative relations between Iraqi organizations and international corporations and organizations have grown deeper in every area. This course of progress emphasizes the validity of the sane, accurate, and balanced program of Iraq's development plans which also provide for the requirements of defense.

"The confidence of nations and organizations in the strength of the Iraqi economy and its development plans shows that despite the difficult circumstances, this course of progress is an indication of a renaissance of development for Iraq in the future. Many new projects will be implemented, particularly after the great success President Saddam Husayn has achieved in surmounting the difficulties facing us, and in increasing our oil resources despite the world's economic crises, in particular, lower oil prices. Early last month Iraq began pumping Iraqi oil through Saudi Arabia at the rate of 500,000 barrels a day as a first phase. The amount will be increased after the completion of the second phase of this pipeline. Moreover, the pumping capacity of the Iraq-Turkey pipeline number 1 will be increased, and an agreement with Turkey has been reached to construct pipeline number 2. Thus, our capacity for exporting oil will soon return to what it was prior to outbreak of the foul Iranian aggression. There will also be new and diverse strategic agricultural and industrial export projects."

## The Ability of Iraq's Leadership

"The implementation of these strategic projects demonstrates the ability of the Iraqi leadership to innovate and come up with new ways to overcome the most difficult and complex circumstances, and to triumph over vicious conspiracies to preserve Iraq's remarkable international stature and to maintain fruitful and extensive cooperation with all Arab and friendly nations. This will allow Iraq to continue to radiate the light of renaissance and progress, and will allow its international relations to grow stronger through extensive bridges of cooperation based on common interests and noble goals.

"The filthy conspiracy which has been carried out by the gangsters in Iran for over 5 years is one of the worst and most dangerous conspiracies against the Arab people. It is second only to the Zionist conspiracy which has resulted in the occupation of Palestine. If the gangsters in Iran have focused their aggression against Iraq because of its progressive revolutionary experience and its important geographic position, then the basic long-term goal of this extensive aggression is the entire Arab east. Iraq will not make it easy for its enemies of various nationalities and alliances to fragment the Arab community, occupy its land, seize its resources, distort its heritage and culture, drive its people into exile or hinder its progress and development.

"The Iraqis have thwarted the most grandiose aims of this conspiracy. This conspiracy is being carried out by Khomeyni and his followers along with extensive and public cooperation and coordination with the Zionist entity, the Syrian and Libyan regimes, and other international parties who do not want stability and progress for the countries of this vital part of the world, and who want continued war to achieve their evil ambitions. Thus, they encourage the gangsters in Iran and help them continue their acts of aggression against Iraq. However, they have not been able to fulfill their ambitions thanks to the brave and peerless leadership of President Saddam Husayn on the battlefield, and thanks to the spirit of self-sacrifice in the breasts of Iraqi soldiers and heroes who have chosen martyrdom for our great country, Iraq. They have given up their own lives, their youth and their families so that Iraq will remain strong for the future.

"They have crushed every Iranian attack despite big preparations and numerous maneuvers. The Iranian human droves--numbering in the thousands--turned into carcasses filling lakes, plains, valleys and mountain tops. After their devastating failure to achieve their ambitions militarily, Khomeyni's followers and their allies set out to exhaust Iraq economically. The regime in Syria decided to cut off the flow of Iraqi oil through Syrian territory. But Iraq's leaders have worked to maintain the Iraqi economy despite the difficulties of this period by maintaining its strength equally through domestic measures to organize the many expenditures and through agreements with every other country to organize relations for current and future cooperation. The position of international corporations and organizations has been positive, and that makes us proud, because they know the real strength of the Iraqi economy, and the critical state of its development programs. The

difficulties Iraq is experiencing will not last for long, and in fact this crisis has not lasted for long. The Iraqi people have been able to surmount it, the wheel of progress continues to turn, Iraq's international relations are improving, and sources for Iraq's defense requirements are multiplying."

Later, Minister of Trade Mr Hasan 'Ali, made a statement welcoming those in attendance. He emphasized that this edition of the fair held certain distinctions over its predecessors. Namely, it coincided with the 17th anniversary of the national socialist revolution of 17-30 July, and the passage of more than 5 years since the beginning of the Iranian aggression against our fighting country.

He added, "The 22d Baghdad International Fair has been able to include a larger number of nations and corporations. This year 64 countries and 2,100 corporations are participating. The fair has become a rich international market with the latest industrial and technological products which does more than serve the interests of development in our country alone. It has become an important commercial facility for the other Arab countries and the entire Middle East due on the one hand to the quantity and variety of exhibited items, and on the other hand to the large number of visitors to the fair from various friendly countries." He also referred to the steadfastness of our fighting country and its resistance to the conspiracies of aggression against our borders which have won the admiration of the whole world and the nations of the region.

Then the opening ritual began when the president's representative cut the ribbon and declared the 22d Baghdad International Fair officially open.

The opening ceremonies were attended by Dr Sa'dun Hamadi, chairman of the national committee, several ministers, delegations from Arab and friendly nations, members of diplomatic missions in the country, heads of organizations representing the masses, and heads of professional organizations in the country.

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ISRAEL

INTERVIEW WITH DEFENSE MINISTER RABIN

Tel Aviv BITA'ON HEYL HA'AVIR in Hebrew Sep 85 pp 10-13, 24

[Interview with Defense Minister Yitzhak Rabin by Aharon Lapidot: "It is Better To Prevent War Than To Win It"; date and place not specified]

[Text] [Question] Minister of Defense, the commander of the Air Force said in an interview in BITA'ON that "cutting must stop at quality." Have the cuts stopped at quality?

[Answer] I have no doubt, that what the commander of the Air Force said expresses a situation which we must aspire to. However, the reality, unhappily, is different. The scope of the cuts in the defense budget since the summer of 1983, is relatively and quantitatively larger than at any time since the establishment of the IDF.

I wish I could say, that this cut will not affect quality. But, unfortunately, it also affects quality. In the Air Force, for example, the number of flight hours was significantly reduced, even beyond what I--let alone the people in the Air Force--think it should have been. It is impossible to execute such a large reduction without hurting the level of security service which the IDF provides the country. This means, that we have taken security risks, for the short term and for the long term, out of the hope that by doing so we are contributing to healing the national economy. I therefore hope, that when the economic situation improves, we can return to truly what is required for security and to preserve quality, even if on account of quantity. However, today, as I said--both quantity and the quality have been affected.

[Question] Did the peace treaty with Egypt play a role in the system of considerations which brought the decision on the size of the cut in the defense budget?

[Answer] In the short range, two facts exist which reduce the risk involved in reductions. One is the peace with Egypt, which is not new, and the second--the Iran-Iraq war. Despite the significant growth in Iraq's strength (almost doubling her military might since the start of the war) and despite her acquiring battle experience--as long as Iraq is chained to her eastern front, against Iran--there is more relaxation on our eastern front. This leaves just one country which presents a clear danger to Israel--and that is Syria.



[Question] Did the IDF withdrawal from Lebanon contribute to saving?

[Answer] This savings will not really be felt in this budgetary year. I shall explain: as a result of the IDF redeploying along our northern border, and as a result of our being, in April, May, and to some extent even in the month of June this year, at the height of the process of exiting Lebanon, we had heavy investments in infrastructure, fencing, fortification, and construction along the international northern border. Add to that the carrying out of the decision to have a security region in Southern Lebanon, in which we assist the SLA with organization and with means--and the result is that budgetary savings as a result of the conclusion of the war in Lebanon will find expression, maybe, only in the next budget.

[Question] What, in your opinion, is the best combination in the industrial-defense-economic complex which would be most suitable for the State of Israel?

[Answer] A large defense budget must be measured first and foremost against the question to what extent it gives the best military value [return]. But, at the same time, we have to ask ourselves how we can use the military budget to contribute as well to the technological-industrial development of the State of Israel?

[Answer] A large defense budget must be measured first and foremost against the question to what extent it gives the best military value [return]. But, at the same time, we have to ask ourselves how we can use the military budget to contribute as well to the technological-industrial development of the State of Israel. We must find the right mixture, which will use all the budget--both from internal sources and from American assistance sources--not only for a specific military goal.

For example: Project Lavi, which has great budgetary significance. The Lavi is the biggest national project we have had since the establishment of the State of Israel. It is possible, that from a narrow military point of view, we could find reasonable solutions for the Air Force, that would not require the investment of more than \$2 billion in development of the airplane alone. I mean, of course, acquiring airplanes from the United States. However, as already has happened in the past, the defense budget in the State of Israel has a task of advancing the technological industry. Therefore, narrow financial measure of the development of the Lavi in Israel versus acquiring airplanes abroad, will show that it is cheaper to acquire airplanes abroad. However, when the Project is examined beyond the direct definition of a fighter plane for the Air Force for the 1990's and the beginning of the 21st century and, when you take into account, as well, the technological level of the country, its social nature, its ability to advance exactly those sophisticated industries on whom the future of the country depends, we must reach a different conclusion--we must develop the Lavi airplane.

The defense system and IDF today are required to assist the economic situation two central levels: the first, in cutting, and the second--to use the defense

budget in addition to increasing the technological industrial potential of the country. The result of this effort is that a third of our export is in the area of weapons system, ammunition and military equipment.

[Question] Mr Rabin, is the defense system putting forth new long range plans for building the force?

[Answer] It is my estimation that in the existing circumstances and in view of the condition of the national economy it is hard to see that in the coming year or two (and I hope that the opposite does not happen) there will be a significant increase in the resources which the State can use for the defense budget. Thus a long range plan adapted to reality is obligatory. In 1982 such a multi-year plan was determined, which was intended to be in effect until 1987. However, the budgetary assumptions on which the program was based no longer exist. There is no point sticking with this program any longer, which certainly will not happen. Therefore, today the General Staff has been asked to prepare a new reduced long range plan, and to re-evaluate priorities in view of one criterion: the resources available to us. And it must be remembered, that this is at a time when the threats have not changed.

There is a tendency in the public, at times, to get stuck on slogans. First and foremost, things are said in a repeated attempt to find justification for the change in the proportion in the state budget between what was acceptable and required for defense and between that portion which is allocated to raising the standard of living and improving social benefits. With all the importance that I grant to such topics--the existence of the State of Israel is still dependent upon her military strength. The State of Israel has no guarantor of its existence--except for the IDF. I sense, that for some reason, in order to justify existence of a more comfortable way of life, some look for 'wonder formulae' that are unrealistic, to justify hurting defense, and I see this as very serious.

At the same time we all have to examine conventions as to allocation of resources within the military system. Battlefield conditions in the decade of the '90's will be different from those at the beginning of the eighties and most certainly from those at the beginning of the seventies. These conditions demand that we fully exploit to the limit advanced technologies and weapons and warning systems. Also we must know that due to limited resources we have no choice but to go the path of quality over quantity.

The basic defense policy of Israel is, that in today's conditions, against the threat to our existence by Arab armies, first and foremost, to deter war. If our ability for deterrence is not enough, we must win in the most striking manner by the greatest possible damage to the forces of the country or countries which attack us, along with greatest possible territorial acquisitions, in order to bring about a cease fire at the request of the other side under conditions favorable to the State of Israel and at the greatest possible speed. The effective meaning of these words is that if deterrence is not enough, we will have to shift the war to enemy territory. The significance is, that our basic military perception, is defensive, but this is realized by the IDF, which is principally an offensive unit.

[Question] What part does the Air Force play in this planning?

[Answer] The Air Force, by virtue of its nature, with current conditions, is the fastest, most versatile, and flexible force, occupying a senior position of importance. However, it is hard to assume, that achievements like those in the Six Day War, which became the central key to the success of the entire war, will be repeated. It is known that a great danger lies in generals planning the next war based on how they fought the previous war. However, I have no doubt that achievement of air superiority, that is, the ability to clean the skies of enemy planes, the ability to carry out freedom of action for our planes, and assistance to ground and naval forces by destroying enemy ADA is the key dimension to realization of the defense policy.

[Question] The political cabinet decided recently to continue development of the Lavi. Does this decision mean that additional resources were found or promised for production of the airplane? Is it expected that there will be any further evaluations or examinations of the project as it continues?

[Answer] The re-examination or--to be more precise--the re-evaluation of Project Lavi was held for two reasons. First, since the decision to develop the Lavi airplane was in 1980, the operational requirements of the plane have been changed in order to adapt it to its destination in the Air Force. We are no longer talking about the simple airplane of the eighties, which at first we talked about. The Lavi remains a simple airplane--but now in terms of the years of the nineties and the beginning of the 21st century this has become a sophisticated airplane, more expensive, which includes technological components which today do not exist in Air Force planes. The second reason--as a result of the change in professional requirements, the development cost changed as well as the cost of production. The estimated development cost of the Lavi has at least doubled since 1982. With the decision by the government of the United States to facilitate use of financial aid for defense by its conversion into shekels--development work can be executed in Israel, in addition to what was done in the United States. Today we have an American promise to complete development of the airplane. I do not think that with the resources of the State of Israel alone we would be able to guarantee the production of the Lavi.

American law does not enable financial obligations beyond a year, and in very rare instances--two years. I have reason to believe that when the United States, with its two divisions in the government--on the one hand the executive, that is the president and the government offices, and on the other hand the legislative institution, that is the Congress with its two houses, passed the development budget, they took into account that we were also talking of production. And they know, that without massive American assistance in the present proportions, it will be difficult to execute the Lavi project--and I am understating. Therefore, it seems to me, that the decision taken by the political cabinet is a decision to go ahead with the development and production of the Lavi airplane, on the assumption that the scope of American assistance will remain at present proportions. I hope that when we start production of the airplane at the end of the decade the economic situation of the state will improve and we will be able to think in terms of Israeli aid in the matter.

[Question] Is there an intention to enter partnership in production of the Lavi with an American corporation?

[Answer] It is no secret, that we are most interested in an American company entering partnership with us, planning and production of the wings and tail by Grumman and the engine by Pratt and Whitney but not only in the form existing today, that is to say, not only ordering work from a company, but rather partnership of the type that will include the marketing of the airplane--in the United States and elsewhere, which otherwise we would not be able to reach. Unfortunately we have not yet found such a partner.

[Question] In view of the Syrian buildup, what is your evaluation of the danger at our northern border with Syria?

[Answer] Syria alone, despite her striving toward what she calls strategic balance and despite the great building of her forces since June 1982, does not present a threat to the existence of the State of Israel. However, to the same degree the policy of Syria is hostile to Israel, it is the only Arab country which is free, theoretically at least, to act against Israel. Since logic is not the dominant factor in the determination of developments in the Middle East, as we have all learned from the past, our estimations of the situation have not always come to pass--I have no doubt that the IDF must be deployed against the possibility that the Syrians will make a mistake.

[following is in bold print] From the aspect of deployment for military confrontation with an Arab army--the first priority of the IDF for the coming year--is against Syria. I hope that the Syrians will not make a mistake and take the initiative in war. I am sure that we can hit Syria with a decisive blow, but I prefer to prevent war than to win it. It is no solution to our basic problems.

[Question] How do you estimate the part of the Air Force in the battle against terror?

[Answer] From the first, a hundred years ago, the war against terrorism has accompanied Jewish settlement. Unfortunately, I cannot say that there is a military solution to terror. There is no terror which is solved by military means alone. As long as a general solution to the Arab-Israeli conflict is not achieved, we have no recourse but to face terrorism which changes its forms, the nature of its actions, and sometimes even the factors which operate against us. For example, prior to 1982 we did not know Shi'ite terror.

By the same token, along with my saying that there is no solution to terror by means of war, or by the system of "spank and it is over," to the same degree terror also should not be treated fatalistically. We must constantly adapt the methods for fighting terror to the nature of the terror in order to reduce to a minimum our vulnerability to it and in order to cause the greatest damage to the terrorist organizations, their bases, their organization, their participants, and their people before and after--always preferably

before--an action. "Border Terror" we have today only in one arena--Lebanon. Three years of war in Lebanon did not destroy the terrorist threat from there. There is no perfect solution. Recently there were a few cases of katyusha shots in the North and I cannot promise that no katyusha will fall on our northern border. At the same time, we cannot agree to destroying a normal way of life in the northern settlements. If there is such a trend, there will not be a normal life for all the residents of Southern Lebanon [either].

On the fronts: Egypt, Jordan, and Syria--there is no "border terror." These governments have taken upon themselves, whether de facto or whether by force of agreements, to prevent terror against us. Usually they succeed in preventing the shooting of katyushas, artillery fire, and infiltration--not hermetically, but significantly. It is possible to say, that they do the principal prevention, although, of course, this does not relieve the IDF of doing its portion on the Israeli side of the border.

Another form of terror activated against us is "external terror." Here the intention is to infiltrate terrorists via the sea, using balloons, windsails, etc., and infiltration via the land lines. I believe, that we are well deployed against this type of terror.

A third type of terror is the "terror from within." Today we rule, in Judaea, Samaria, and the Gaza Strip, an Arab population numbering 1.3 million. This population, for the majority, wants to live in peace. This does not mean that it loves us or that it is dying to accept our presence. It accepts the reality and leaves the burden of solving the problem to inter-Arab system. Of course, within it and from this population hostile organizations exist, on a local basis or by way of terrorists organizations themselves, with the objective of hurting Israel. Do not forget the extent of involvement of the residents of Judaea and Samaria and the Gaza strip in the Israeli system. About 100,000 residents cross the green line daily, free movement exists, and the markets of the Arab cities are humming with thousands of Israelis on the Sabbath--and not only on the Sabbath. These circumstances create conditions which make it quite easy to carry out such strikes as shooting an Israeli who is shopping or planting a bomb.

The war against this terror is daily. Over the last 18 years we were witnesses to a rise in this war. Today we are in a period of a certain rise, and the number of injured reflects this. An additional characteristic of activity in the recent period is that about 50 percent of the organizations are local, and I see a worrisome sign in this.

The principal part of the war against terror is the war of intelligence--in collecting intelligence and in foiling planned actions. A second level on which the war against terrorism is held is the war against all kinds of instigators--and here we have decided to use many means which were not used in the past. A third level is the existence of law and order. I must note that parallel to a rise in terror is the number of discoveries of breaking of public order: strikes, closing of stores, burning of tires, student riots. These have dropped greatly.

Where is the place of the Air Force in this war? The Air Force is one of the instruments for acquiring information, it is intended to damage targets located beyond the areas of our control, and assists in quick moving of forces by means of helicopters and cargo planes. It is possible to state that this form of war against terror is more land-water fighting with the Air Force acting as an assisting factor.

[Question] What is the place of the new command posts of the PLO in Jordan in the present system of terror?

[Answer] The transferring of these command posts from Beirut and Damascus to Rabat-Amman has brought them closer to the principal concentrations of the Palestinian populations: two million Palestinians west of the Jordan and a million and a quarter east of it. The possibility of direct contact with residents of Judaea, Samaria, and Gaza has grown. There is no doubt that this is one of the factors by means of which it is possible to explain the rise in terror in Judaea, Samaria and Gaza.

[This paragraph also in bold face:]

In my estimation, the Hashemite regime made a double error in opening the gates of Jordan to the return of the political and terrorist headquarters of the PLO. Thus it has reduced, on the one hand, its freedom of political maneuvering and the chances for development of a political process with Israel, and, on the other hand, it has now created an internal danger to itself, even if it is not immediate, to its existence. In addition, the chance for friction between Israel and Jordan has increased.

[Question] Every Israeli government has had a clear policy: absolute opposition to the supply of weapons to any Arab country which emphasizes that it is in a state of war with Israel.

It is inconceivable, that a government in Israel, or a responsible party in Israel, would not do all against the supply of weapons to a country which is liable, the next day, to use them against the soldiers of the IDF or against Israeli targets. Opposition of this sort is the moral and military responsibility of every government in Israel. Therefore the opposition to the supply of weapons to Jordan is true and irrevocable. Even if we do not always succeed in it, it is upon us to invest our best efforts in influencing--first and foremost the United States--not to sell weapons to Jordan.

[Question] How do you evaluate Jordan's willingness to enter peace discussions with Israel as of today?

[Answer] Unfortunately, Jordan is not willing to be cut off from the PLO and slows down all advancement in the peace process with us by walking hand in hand with Arafat. I believe, that on this matter, the unity government is truly unified. All the principal components are unwilling to negotiate with the PLO. With Jordan--yes, with a Jordanian Palestinian delegation, including Palestinians who are not members of the PLO--yes. Direct negotiations--yes. To the best of my knowledge, the Murphy mission,



which was based on something which we did not agree to--to meet with a Jordanian-Palestinian delegation which also included members of the PLO on the condition that it would bring about immediately direct Israeli Jordanian negotiations--did not go well.

[bold again] We want peace, but in the words of the well-known saying: for war it is enough to have one side, for peace two sides are required. As long as Jordan does not become rational and will not dare to declare its desire for negotiations with us, there will not be peace. Peace cannot be forced. We will hope that in the future Jordan will change its position.

[Question] Mr Minister, on the matter of personnel in the IDF, do you think that the "brain drain" to the civilian market is now over?

[Answer] Care must be used in employing the term "brain drain." Although in recent years the demand in the civilian market in certain areas--principally in the technological and engineering areas, was tempting and made it hard for the defense system to fill positions, I believe that despite these demands, enough good brains remained in the army and in the defense system. We were in trouble and unfortunately--we still are today. But if I am asked today about the problem of what the real difficulty is that faces me, at least my personal feeling, is that I would say that the difficulty is the need to fire people in the defense system: career people, civilian IDF employees, employees at Fafael, the Military Industry, etc.

[Question] Does the objective still exist of reducing the salaries and service conditions of regular army people?

[Answer] As a result of the government policy in the economic area, people in the regular army were affected. I believe and hope, that we have gotten to the end of the line in this area. That is to say that there will not be a recurrence of what happened in two striking instances: first, cancellation of the exemption from property tax, which was the right of regular army people until this year, and second, the freezing of an increase of 8 percent for members of the regular army, an increase which the rest of the workers in the country received. Unfortunatley, this was a decision of a government which backed the Minister of Treasury. The justification for this was, that the members of the regular army had already received an increase, but in fact this increase was connected with the previous erosion.

[Question] Is there any message on the matter of dismissal in the defense system?

[Answer] Sometimes it hurts me that the defense system is the only system which completely carried out the reductions it promised. Not only was the most significant reduction out of government offices, from the aspect of office activity, carried out in the defense system, but also it was carried out in full. However, when I "look cross-eyed" to the sides I feel uncomfortable. I believe, that a member of a government must carry out the decisions of that government even if they hurt and when they affect him.

Unfortunately, I cannot promise that the process of layoffs will not continue. In order to enter the budgetary framework, we will have to get the regular army down to a certain force size which will remain correct for a number of years, will neither grow nor decrease and will enable planning so that he who serves in the defense system is not subject to changing developments. I believe that we will reach that as next year approaches.

[Question] What can participation in the "Star Wars" Project contribute to the State of Israel and how can Israel contribute to the Project?

[Answer] What is called "Star Wars," that is, the Strategic Defense Initiative of the President of the United States, Ronald Reagan, is a research program and development of a defense means against ballistic missiles. The American Secretary of Defense, Caspar Weinberger, sent me a letter including a request that Israel join the program. The government decided to examine the significance of the request in a positive approach without making a formal decision.

In view of this, contacts have been made with the United States, by means of the Israeli delegation there. We are clarifying what we are being offered, what will aid us in developing the technological skill of the country. In particular, in the same areas that relate to specific defense problems of Israel such as computers, lasers, and communications.

As stated, the matter is still in a state of clarification and therefore no positive decision has been made. There is a positive approach and as to the investigation as out, of what is good for Israel is good for the United States.

[Question] And finally, Mr Rabin, what do you wish the Air Force for the New Year?

[Answer] I wish for the Air Force and the people of Israel that the coming year will be a quiet year, a year of strengthening and that we will be able to stand and face all missions, even the unexpected.

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ISRAEL

# FLIGHT SIMULATORS IN IDF USE REVIEWED

Tel Aviv BITA'ON HEYL HA'AVIR in Hebrew Sep 85 pp 33

[Article by Doron Danai]

[Text] Just an ordinary week day, at noon. The summer sun glares on airplanes awaiting take off. At an Air Force base a pair of Phantoms line up on the takeoff runway prior to taking off on their third air battle that day. At another base a pair of F-15's, lines up, also for their third battle of that day. The pilots, as young and as talented as they may be, are tired and beads of sweat dripping from their oxygen masks do not add to their alertness. In the few minutes which remain prior to the line up on the runway pictures from the day's earlier battles run through the mind--the lessons learned, conclusions, and plans for the approaching battle. The moment the engine noise increases and permission is granted to line up and take off, the senses sharpen and concentration is at a maximum. When they come to the air battle the brain will have to deal with a tremendous quantity of data which changes every second. To understand, to analyze, to plan and execute correct actions, these will bring about success in battle.

The pair of Phantoms and the pair of F-15's take off simultaneously and make their way to the battle area. Air battle--four jet planes, whose speed ranges during the battle between 150 kilometers per hour to mach 1.5. These airplanes within seconds travel a number of kilometers, change height, location and speed. And in them six crew members, six brains that analyze the course of the battle, six pairs of eyes that spy and seek out airplanes in the sky following the black dots which quickly move.

Who is who and where is he flying? Friend or foe? Dangerous for me or am I dangerous to him? The brain works to the edge of the limits of its ability. Six mouths that talk over the radio and try to say only what they must say. Today it also contributes, as it is so jammed that sometimes two talk at once and a bothersome high frequency beeping is heard. All this complex matter and this struggle goes on for five long minutes, which are 300 seconds crammed with events until the gasoline is used up; the battle is stopped and the airplanes return to base to land.

There the real battle begins.

## Savings at Any Cost

At the Phantom squadron base, in the clubroom, four of the pilots from the team which just landed have sunk into easy chairs. Their flight suits are still wet with sweat stains, their muscles are strained from the great G-force they just exercised, and recognizable signs of fatigue are on their faces. Now they try to reconstruct the battle step by step, stage by stage, in order to understand what they did well and where they erred.

Everyone in the air force understands that a good analysis is the heart of every flight and the key to advancement and good results. An air battle, as good as it may be, will not contribute anything to the pilot if he does not know how to interpret and understand what happened and to learn the lessons. The price of such an air battle between two Phantoms and two F-15's is astonishing: tens of thousands of dollars for 5 minutes of air battle practice. Therefore it is so important to reap the maximum out of every second. Not to repeat mistakes!

Since the establishment of the Air Force efforts to improve the means of analysis have been made. At first barrel cameras were put in, which photographed pictures from the barrel during the time of shooting. Afterwards movable tape instruments were installed, which could be hooked up to the radio system to capture the voices. Recently with the introduction of advanced F-15 and F-16 airplanes as well as improved Kfirs, a video tape system was installed which records pictures and voice during the entire battle. And during the last year, the diamond in the crown, the instrument for analysis of air battles.

With the reduction in flight hours and practice areas, this instrument has become a real necessity. With the aid of sophisticated computers and a communications system the computer records the battle. Transmitters attached to the airplanes transmit data every second and powerful receivers spread through the area receive and process this data. Afterwards it is possible to reconstruct the battle down to the finest details. It is possible to enter the cockpit of every participant, to see what he saw at any given moment. It is possible to receive a 3-dimensional picture of the battle-field with all the airplanes. It is possible to read the flight data (speed, height, attack elevation, etc); it is possible to see the weapons deployment, it is possible at each stage to stop and repeat until the stage is clear to all and, in short, everything a pilot ever wanted to know and did not know or dare ask. The days are long past when an "old" reservist could sit after the third gig the same day, smile, shake his head and say, "I simply do not recall" during the debriefing. The days are gone as well of heated arguments over what was and was not during the battle. After landing you go to the structure for air battle debriefing, sit in comfortable chairs and the battle is recreated before your eyes.

## Atari Settles Accounts

At the Phantom squadron it is now late afternoon already and the crews of the combat aircraft against the F-15 airplanes are awaiting details of the

shooting developed from an aerial photograph in order to complete the battle picture. Boy, are they jealous of their colleagues who carried out a similar battle only at a different installation and who were done with a very high quality analysis only half an hour after the end of the battle. This is the situation to date.

An expensive installation, very good and in demand by flight crews. Not everyone is lucky enough to practice in it daily and the "battle" over flight time in the installation gets worse as more and more people learn about the instrument, its advantages, and its astonishing capabilities.

I recently visited the central installation located in one of the Southern bases from which the picture is sent to rooms spread out on every base. A number of Phantom pilots arrived along with it from a neighboring flight squadron. They were still dressed in flight gear and hurrying here immediately upon landing and before returning to their base to "settle" accounts.

The temperature is warm until one enters the viewing room. "M," assistant commander of the squadron, claims his two knocked down the other two in the shooting before the battle started. His words arouse anger and bitterness in the other two, who claim the range was too great and it simply cannot be. "Stop yapping," says "M," and the atmosphere boils.

The door opens and the entourage enters the dark, air-conditioned viewing room. The temperature automatically lowers, the talking becomes quieter and more to the point. The guys spread out in soft comfortable chairs, their eyes on the two giant structures on the wall in front of them. There is an air of otherworldliness to this viewing structure--the pavilion did cost several millions of dollars. There is nothing like it in all the world, and someone once said it is like an Atari worth millions.

Within a few moments it is seen that "M" had a malfunction in the radar and therefore he was certain that he had downed the other pair when in actuality the range between them was too great. On one screen the airplanes appear, drawn in different colors, changing their position in accordance with the stages of the battle. There is one other unclear point regarding the battle: when two members of a pair thought they saw one of the airplanes from the other pair they in actuality saw both of the other pair of planes, simultaneously executing the same drill. Within ten minutes the analysis will end and the pilots will hurry to the squadron with each one knowing exactly what he did well, where he erred, and what he has to improve.

Automatic Fine

I remain in the room with my longtime friend, who today is officer in charge of the installation.

"D" tells me that the ground stations who receive the broadcasts from the airplanes are operated on solar cells. A short time after these cells were installed in the training area useability problems arose. After a number of weeks it was learned that the Israeli songthrushes were eating the covering of the cells with great appetite. The material was changed, to the great

displeasure of the birds, and to the relief of the operators of the installation.

"D" also tells that the installation is growing and developing constantly, investigating new functions, and is used to evaluate large scale air battles. There are squadrons that once a week do their daily evaluation in the viewing room, presenting one air battle and analyzing it down to the smallest details. The device is so highly sophisticated that many pilots, despite their using it in daily evaluations, are not yet familiar with all of its functions. For example, the screen presents a graph of the optimal flight and the status of the aircraft on the graph at any given moment.

In the Air Force it is standard that for exceeding flight limitations such as dropping height or dropping from the permitted speed, fines are given. Since the commencement of flight analysis using the installation, breaches were seen which the pilots were not aware of making in the heat of the battle. A suggestion was made to connect the computer of the installation directly to the IDF payroll computer, to automatically take the fines out of salaries.

9182/12899

CSO: 4423/26

ISRAEL

INTERVIEW WITH ARMOR SCHOOL COMMANDER

Tel Aviv BITA'ON HEYL HA'AVIR in Hebrew Sep 85 pp 48, 49

[Interview with Armor School Commander Colonel T by Gil Bar Tal: "On Coordinated Tank-Battle Helicopter Action, Anti-Tank, Rapid, Precise, and Deadly!"; date and place not specified]

[Text] [Question] Colonel T, Cobra helicopters were put into service as a direct outcome of the Yom Kippur War. There are those who claim that a number of combat helicopters would have changed the situation in the first days of that war completely.

[Answer] I am of the opinion that if we had Cobra helicopters during the first days of the Yom Kippur War, our situation would have been much better. They could have been used in the land battles and done great work. During the Yom Kippur War I fought as an assistant commander of an armored regiment on the water line at the Canal and I have no doubt that in the restraining battles at the beginning of the war combat helicopters would have changed the situation in our favor.

[Question] Today, 10 years after the Cobra helicopters entered service in the IDF, has the armored corps warfare doctrine changed accordingly?

[Answer] Every new element which we put into use changes something in the warfare doctrine. In the armored corps wide preparatory studies were made and in my opinion the "improved" doctrine has proved itself. In the war in Lebanon I commanded an armored brigade which fought in the central sector and I worked in close cooperation with the offensive helicopters. I learned to work with them during the battle. However, I learned a lot of lessons after the war. But with the view of a commander in the field and a general view, the battle helicopters have the most important influence on the warfare of the armored corps. One of the central mistakes of the armored corps during the Yom Kippur War was the assumption that the armored corps could do everything by itself. This conception has totally changed.

The nature of the battle of the future, which partially was applied in the War in Lebanon, is the combined battle of many elements where the most outstanding and newest element is the attack helicopter.

The armored corps officers must know how to operate the helicopters. We did this in the war in Lebanon and we must continue and deepen the connection

between the land forces in general and especially the armored forces and the battle helicopters. In my soul I do not today see a battle or a war of one sort or another without the cooperation of offensive helicopter. As an officer I will demand them and I will do everything so that my command receives them.

[Question] In most of the modern armies in the world the armored regiments and squadrons of battle helicopters operate as one body; is there an intention in the IDF to add an offensive helicopter force to each division? What is your personal opinion on the matter?

[Answer] Over the past year I visited a number of armies in the world and discussed at length with officers who work on this system (mixed units of armored corps and offensive helicopters). In my opinion, it is impossible to compare their warfare conditions with ours. Also from the economic point of view it is groundless. Today already the officer of an armoured corps is bent under the weight of the elements he has to activate during the battle.

I, as an officer of a fighting armored force, would not want to have an offensive helicopter force under my command for all the fighting, from both the maintenance aspect and from the point of view of work load. I prefer to receive the force when I require it and according to the conditions that occur in the field and after the mission to release them for other missions. I am in favor of strong cooperation, but not too strong, in order to get the best from each other.

I am satisfied with the present form of cooperation. Before the battle I meet with the commander of the helicopter force and together we sit over the maps and plan the attack. The emphasis is on personal contact and thus strong cooperation has proved itself, both in the exercises and in the battle.

[Question] The armored corps, for its part, sees the helicopters solely as an assisting force, while the Air Force sees the helicopters as a "participating force." To which do you subscribe?

[Answer] The attack helicopters are not an assisting force. The helicopters participate in the battle no less than do the tanks. They definitely are not assisting. Cooperation, via the pre-planning of the battle between myself and the officer of the helicopter corps, is the best example that helicopters in the battle are complete partners in the joint battle arena.

[Question] Can a comparison be made between an attack helicopter and a tank in terms of fire power, precision, mobility, and survivability?

[Answer] It is very difficult to make a comparison. Attack helicopters enjoy the aerial dimension. In one onslaught the Cobra pilot can hit eight armored vehicles; this is powerful firing strength. However the firing systems in the tanks have also been improved. There is no doubt that an attack helicopter is quick, deadly and precise as an anti-tank means.

## The Final Answer - to the Armored Corps

[Question] Is it possible that in future situations attack helicopters will replace tanks?

[Answer] Certainly not. Even if we ignore the economic aspect for a moment, the armored forces are those who in the end result determine the battle. In order to set facts in the field you have to physically control it. The final answer is still given by the armored corps.

[Question] In the War in Lebanon there were cases of heightened vigilance on the part of the armored forces after warnings of Syrian Gazelles. Why?

[Answer] During the War in Lebanon we met the Syrian attack helicopters for the first time. The principal effect was psychological. A defending force which I received for work in the area did an excellent job and increased the security and therefore, from the moment a Gazelle fell, we did not run into any more Gazelles. One of the lessons which we learned from the war was increased ability to identify our helicopters and the enemy's helicopters in order to prevent the mistakes and errors which are liable to occur during war.

[Question] As an officer of the Armored Corps School, is special coursework given today on the topic of attack helicopters?

[Answer] At all levels of study and in all the courses we have special chapters today on the subject of attack helicopters. At every stage the level of depth of the material increases. In the basic courses we teach identification of attack helicopters and in advanced courses, the course for company commanders, for example, we teach the officers the theory of cooperation and operation of combat helicopters in the area. We are aware of the fact, that the attack helicopters are becoming more and more an important element in the future battlefield.

[Question] In what type of battles is the influence of combat helicopters seen more? In attacking or in repelling?

[Answer] The task of the attack helicopters in the repelling battles is no less important, despite their name, than in offensive battles. Today we are teaching a developed theory of war in which all the lessons of cooperation with helicopters are learned. The more capable an officer in the field is at exploiting the helicopters, the better. Accordingly, their efficiency in battle will increase both in offense and in repelling.

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QATAR

PREPARATIONS FOR GENERAL CENSUS UNDERWAY

Doha AL-RAYAH in Arabic 16 Nov 85 p 7

[Interview by Muhammad 'Abd-al-Salam. "AL-RAYAH Interviews the Chief of the Central Bureau for Statistics on the General Census. Council of Ministers Decrees Full Cooperation with Census Takers"]

[Text] The Qatari population has multiplied more than eight-fold over the past 30 years. Estimates in 1950 put the population at 30,000 people, increasing to 50,000 by 1960 to 111,000 at the time of the first census in 1970.

The population of Qatar would have been around 180,000 in 1975 and 260,000 in 1980 according to a study by the Department of Economic Affairs (Census Bureau) of the Ministry of Trade and Economy, which made population estimates for the period 1971-1980 based on a rate of growth commensurate with the residential situation in Qatar as a region attracting population and on estimates by the census department of the Arab League which put the rate of population growth in Qatar, through birth and immigration, at around 8.9 percent per annum.

In his book "The Population of the Arab Gulf States," Dr Hasan al-Khayyat says that population growth in Qatar underwent two distinct stages--a period prior to 1950 when population growth was extremely slow because of a shortage in resources, making Qatar a population-expulsive rather than a population-attractive region such as happened in the 1950's. The other stage was a period of rapid growth following the discovery, production, and export of oil which turned Qatar into one of the population-attractive areas of the Arab Gulf. Its population increased at a compound annual rate of more than 6.5 percent in the sixties and around 9 percent in the seventies. Such an increase no doubt reflects the significance of incoming immigration and is in keeping with the pressing need for labor and expertise required by the country's current phase of rapid construction, rehabilitation, and social and economic development. From that perspective came Council of Ministers' decree #3 of 1985 to conduct a general census of the population, housing, and private establishments in Qatar.

The resolution mandated that the Central Bureau of Statistics undertake the census next March and every 10 years thereafter.



The resolution further mandated that the bureau be technically and administratively responsible for the count. It asked the owners and tenants of buildings and the owners or managers of private establishments to supply census takers with all requested information on the forms prepared for that purpose, to permit them access to documents in order to verify the data, and to refrain from removing or changing markings placed on buildings by census workers during the period of census preparation and implementation.

AL-RAYAH interviewed Mr Muhammad Ma'yuf al-Nu'aymi, head of the Central Bureau of Statistics, on the importance of this census and its applications.

#### Census Objectives

The head of the Central Bureau of Statistics says the general Census of population and housing seeks to tabulate the state's human resources and determine their economic, social, and demographic characteristics as well as available housing facilities in order to provide data for various uses by the state, organizations, and individuals. It also aims at preparing a base for ongoing statistics.

He said the census will be taken in one of two ways. The first is by actual count of individuals at whatever place they happen to be the evening of the census regardless of whether they live there permanently or temporarily. The other method is a theoretical census at which individuals are attributed to their permanent residence.

He said that each of those two methods has advantages and disadvantages and that was why planners for the 1986 general census have been careful to combine the advantages of both methods.

#### Applications of Census Data

Mr Muhammad al-Nu-aymi said that as a comprehensive information gathering program, the census of population and housing is the main source of national data needed to study the size, composition, and geographic distribution of the population. The results would also be useful for administrative purposes, to paint a picture of the number and composition of families, and quantify housing units and their available services.

The chief of the Central Bureau of Statistics pointed out in his interview that a number of indicators could be deduced from the census such as geographic distribution indicators of density and crowding and of national origin distribution in every municipality or quarter. Also to be deduced would be age and quantitative indicators of sex, the labor force and the extent of its contribution to the economy and the professions, the percentage and particulars of foreign labor, as well as indicators of population growth such as birth, mortality, and natural population growth rates.

#### Objectives of Building Census

Mr al-Nu'aymi says that the census will include a count of buildings and residential units in order to fully quantify and qualify these buildings'

characteristics and their relationship to public service as well as to compile data on the kind, size and utilization of residential units, the extent to which families enjoy suitable lodging, the particulars on occupants of residential units, and other data.

He said the reason for including firms in the census is to gather, publish, and analyze statistical data on firms operating in the state during the census period in order to provide a general framework of their location and nature in order to facilitate the gathering of specialized statistics dealing with industrial production, distribution, etc.

#### Census Stages

The chief of the Central Bureau of Statistics says the census aims to gather all required statistical data on every establishment, family, and family member in the country. This is done in order to be all-inclusive without dropping some or over-counting others. A plan must be implemented to reach each of them in successive steps that start with the country as a whole then subdivide it into smaller administrative units such as municipalities, quarters, and blocks. The count will then proceed to the buildings on each block, the establishment and residential units in each building, and finally a data-gathering visit to each family or establishment.

He said that the state of Qatar is divided administratively into nine municipalities separated by clear natural demarcation lines. Each municipality is composed of several administrative quarters which have already been delineated and given consecutive numbers from 1 to 98. The municipalities are al-Dawhah, (al-Rayyan), al-Wakrah, Umm-Salal, al-Khawr, al-Shamal, al-Qhuwayriyah, al-Jumayliyah, and (Jaryan al-Batnah).

Al-Dawhah has been divided into 56 quarters each composed of 1,536 blocks. (Al-Rayyan) has 8 quarters of 462 blocks; al-Wakrah 5 quarters of 95 blocks; umm-Salal 2 quarters of 47 blocks, al-Khawr 2 quarters of 52 blocks; al-Shamal 3 quarters comprised of 16 blocks; al-Qhuwayriyah has 1 quarter of 16 blocks; al-Jumayliyah 5 quarters and 67 blocks, and (Jaryan al-Batnah) 6 quarters divided into 39 blocks. Therefore, the country has a total of 88 quarters divided into 2,343 blocks.

#### Five Census Operations

The head of the Central Bureau of Statistics said that the census is to be conducted in five stages the first of which was to delineate the quarters. The Bureau has prepared drawings and maps of each quarter which are to be verified in the field by working inspectors and complemented with geographic or architectural landmarks. This operation will take place from 13 to 17 November. The second operation is the mapping and delineation of blocks with the aid of prepared drawings and maps, again under the supervision of inspectors in the field. The borders of each block will be marked on the exteriors of buildings along with block and quarter numbers. This will take 27 days beginning December 1.

The third stage is to count and number the buildings and will take place after the administrative divisions in the country have been ascertained and each of their blocks numbered. An inspector would visit each block to determine its particulars, the number of its buildings, and its internal composition of residential units. This will begin 28 December and continue through next 24 January.

The fourth operation is to count residential units and families as well as count and number establishments. This operation will result in detailed, accurate information on the usage to which every building is put, in preparation for gathering statistical data on establishments. This will be implemented by controllers over a period of 15 days beginning March 8.

The last of the census stages, according to the chief of the Central Bureau of Statistics, is to count the population. By reaching every individual at his residence or wherever he might be the evening of the count. The census taker will gather detailed data on him, his family, and their housing situation. This is the culmination of and the basic purpose behind the other preparatory operations. It will be carried out 16-25 March 1986.

Mr Muhammad Ma'yuf al-Nu'aymi concluded his interview with AL-RAYAH by indicating that preliminary figures on the comprehensive census will be available by the end of May 1986.

He said that more than 1,500 government employees have been seconded to the census project and that they will be attending training seminars on the various stages of the operation.

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CSO: 4404/90

SAUDI ARABIA

AERIAL DISPLAY OVER RIYADH ANALYZED

London AL-TADAMUN in Arabic 7-13 Dec 85 p 13

[Article: "Prince Sultan Says to AL-TADAMUN: "Our Air Force is for Defense of the GCC""]

[Text] The aerial display on the occasion of the graduation of a group of 29 students from the King Faysal Air College in Riyadh this past Wednesday was not a normal event nor was it a traditional celebration. It was distinguished by important signs that gave pause to more than one source and other observers. Some touched on the critical situation through which the region is passing, others referred to the timing, which was coincident with a flight of F-15 and F-5 aircraft over the Saudi capital.

In the presence of AL-TADAMUN, a high level source commented on this occasion, saying that the aerial display by Saudi combat can be considered a show of force. It is not in keeping with the Saudi nature, which refrains from excitement. It is an affirmation by power of the right of the kingdom to draw a defensive framework around its security and the security of the states of the region. It is a manner of speaking that has taken on legitimacy given the Iran-Iraq war and the developments resulting from it, embodied in a practical form that would not be available to it were matters at the regional and international level not as they are.

Given this, the kingdom has proceeded--according to the source himself--during the past few years, to translate the issue of support for its military power into reality, concentrating on carefully studied channels in a comprehensive defense policy, taking into consideration new developments that occur in the region from time to time. King Fahd has repeatedly emphasized, concerning this matter, that "the kingdom that spends liberally to build its military power according to the most modern and contemporary technological systems will not hesitate to use this power to protect its air, land and waters."

Those who saw the aerial display, which was under the auspices of Prince Sultan ibn 'Abd-al-'Aziz, the second deputy prime minister and minister of defense and aviation, noticed the determination to emphasize the intention of the Saudi monarch to build the strength able to oppose any danger threatening the security of the kingdom and the region. Prince Sultan ibn

'Abd-al-'Aziz reemphasized this vital matter in his reply to a question from AL-TADAMUN concerning the responsibility placed on the shoulders of the Saudi air force by the critical circumstances through which the region is passing. He said:

"The responsibility of our air force is the defense of our country, and, therefore, participation in the defense of the states of the GCC and the states of the Arab Gulf."

The Saudi minister revealed the existence of serious studies on setting up military industries by means of a general corporation for military industries, the establishment of which has already been decided. Further, there is a committee for industrialization, composed of a number of relevant ministers, in addition to creation of a higher committee for military industrialization in Saudi Arabia to evaluate and undertake advanced military industries.

If no observer has recorded his impressions of the important meanings of strategic calculations left behind in the sky by the Saudi combat aircraft, then observation may be made in the following directions:

First: The kingdom wanted to hold the customary celebration for the graduation of a new group of Saudi pilots to emphasize the position of its most important supporters, emphasizing that the principle of supplying advanced weaponry does not mean becoming involved in an arms race, if the expression is allowed, except in response to national defense needs. This has been imposed by the relevant regional conditions and crystallized by the important strategic position with which the kingdom is blessed in the regional and international arenas.

Second: If the power of nations is measured by the airplanes, tanks and modern weapons that they have, then the kingdom is a newcomer in this, unless the sphere of security exigencies for which it is responsible is included. The responsibilities it has that go beyond the boundaries of the kingdom to include the states of the GCC confirm this.

Third: Some have said that the flight of the F-15's in an aerial display over the Saudi capital elicited amazement from those attending, intending by this to send a certain message, according to political practice. However, the fixed point in this concentrates on reassurance, not a symbol bearing a flag of provocation. Reassurance here means for the "states of GCC," and the Arab states. They feel that the threatening Saudi power is necessary power, a support for these states in encountering danger threatening them.

Fourth: The important significance of this event must not be ignored. It is that the Saudis were pioneers of moderation and constructivism in a policy of impartiality and exchanges of Arab compromise and continued movement toward distancing the region from the danger of international struggles and strong adherence to the flag of peace. It does not harm it that it cooperates with these channels by means of the language of the era

based on building military strength able to "bend" its policy to embrace the Arab character and to address the super powers from a position of political and military strength necessary to return the Arab nation to a position of respect and to create a situation of reassurance for the Arab side.

Therefore...the situation of gulf security stands out as one of the most important details put forth for power in the states of the GCC, and it is a matter that the Kingdom of Saudi Arabia intends to continue to emphasize.

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SAUDI ARABIA

STEPS TO PROTECT SEA LANES DESCRIBED

London AL-SHARQ AL-AWSAT in Arabic 20 Nov 85 p 4

[Article by 'Abdallah al-Hajj: "Al-Sharq Al-Awsat Publishes an Exclusive on Saudi Plan To Fight Maritime Piracy and Fraud"]

[Text] To safeguard the economic interests of all Islamic states, Mr Muhammad Mahmud al-Mirdas, director of the international economic affairs office in the Saudi Foreign Ministry, submitted a Saudi working paper at the meeting of the Islamic Committee on Economic, Educational, and Social Affairs. (The committee was formed by the Islamic Conference Organization at its 12th session.) The working paper, which received the approval and applause of all Islamic states participating in the meeting and which was recommended by the committee for acceptance as a vital Islamic project that recognizes the economic interests of Islamic society, defines the rules of conduct for shipping-line unions, and offers advice on how to fight piracy and maritime fraud.

With regard to rules of conduct for unions and shipping lines, the expository paper notes that "shipping companies suffer numerous difficulties created by blocs of shipping line unions monopolizing much of sea trade. Indeed, some of the unions, especially those of Northern and Western Europe, expelled a number of shipping companies in order to control shipping, dominate freight prices, and impose their will on both the shipper and carrier."

Those countries that suffered the most as a result of this monopoly, in which more than 380 unions participated, were the developing countries. They ultimately raised their voices in the international forum concerned with maritime trade, especially the meeting of the United Nations Conference on Trade and Development (UNCTAD), where they demanded their fair share of shipping in order to break the monopoly of the maritime unions and the limitation on the continuous increase in shipping prices. By breaking this monopoly, the expenses pertaining to the exports and imports of the developed states would decrease and their economy would be boosted.

Out of this situation emerged the need for a new system which provides stability and regulation in the services of the organized international shipping lines. The rules of conduct for the shipping line unions appeared in writing through the UNCTAD. These rules aim at controlling shipping prices, treating the shipper and carrier equally, providing protection for the shippers and

shipowners against the consequences of intense competition, and setting up a system of organized and continual shipping.

#### Contents of the Agreement

The agreement discussed the introduction of a national lines of maritime transportation, a shipping-line union, the shipper and a shippers organization, and the organizing of relations between the shipping lines and the shippers organizations. It also included the following: the relationship between the members of the shipping lines, how to join the union, participation in maritime transportation operations, the right of the national shipping line to transport 40 percent of the maritime trade, and the relationship with the shipper as well as shipping rates, measures by which they are defined, and incentive rates for shipping.

This agreement forces the shipping line unions to admit as members any national company or group of state companies, to accept their right of participation in transporting a share which amounts to 40 percent of the size of the maritime trade, to allow them to establish and operate an organized shipping line between the two states, and to determine the number of trips, their freight, and their value.

The Kingdom of Saudi Arabia notes the necessity of cooperation and coordination between the commercial fleets of the Islamic states, their participation in the shipping of a considerable share of maritime trade, and their fleets complementing each other in the event that the fleet of one of these states is unable to fulfill its obligation to transport all of its maritime trade share. Moreover, because of the Kingdom's desire to exchange information and data pertaining to the shipping unions, to their shipping lines, and to the type and size of goods traded among Islamic states, it calls upon the Islamic states to sign the document pertaining to the rules of conduct of the shipping line unions and to activate these rules in order to organize the movement of maritime trade, as they have been in effect since 6 October 1983, and the kingdom approved the protocol according to Law No M/52 on 12/22/1404 AH.

#### The Expository Memorandum

The expository memorandum on fighting piracy and maritime fraud notes that incidents of piracy and maritime fraud in the international arena have increased in recent years and have taken different forms and styles as a result of loopholes in international law. It is time to reexamine the quality of the measures and arrangements which must be carried out in order to face the increasing number of new challenges, provide solutions to them, and curb them.

The following are some of the methods employed in maritime fraud and piracy:

1. Nonadherence by some nautical companies to sound trade rules, for example, the filing of falsified and forged shipping documents.
2. Imitation of well-known trade marks.



3. A shipowner acting as though there were some disagreement between him and those who rented his ship in order to seize it and sell the freight per order of the port's administration for not paying the fees due.
4. Transporting the ship and selling it in another port, then faking a fire and announcing bankruptcy.
5. A shipowner raising shipping prices and demanding from importers payment of the difference under penalty of having their goods auctioned.
6. Insuring the ship and freight at an excessive and unrealistic value and then even going so far as to sink the ship and its cargo in order to collect a huge amount of insurance money.
7. Armed assault on ships or a mutinous crew seizing the ship.

#### Role of International Society and Recommendations

As a result of these widespread phenomena and their threat to the safety of ships, regional and international institutions and organizations have expressed their great interest in this subject and have undertaken studies, meetings, and workshops in order to acquaint themselves with the dimensions of the phenomena, find solutions that will restrict and limit their spread, and guarantee the interests of exporters, importers, and shipowners. The recommendations issued by those institutions may be summarized as follows:

1. Studying the difficulties facing shipowners, insurance companies, marine brokers, and banking officials, then issuing set instructions pertaining to the protection of commercial and industrial interests.
2. Cooperating at the national, regional, and international levels by taking suitable measures against the increase in the acts of maritime fraud and piracy, measures which will not be incompatible with international the safety and flow of trade. This may be done by:
  - a. Scrutinizing the accuracy of documents pertaining to shipping operations, exports, and banking and insurance transactions.
  - b. Increasing maritime trade awareness on the part of those concerned and appointing qualified persons to suitable positions.
  - c. Avoiding dealing with open-registration ships because of their lack of qualifications and the lack of qualifications of those who work on them.
  - d. Reconsidering local laws pertaining to the registration of ships and to transfer of owners and working to improve them; scrutinizing ship documentation in order to avoid open-registration fraud and overseeing the national fleet's activities.
3. Urging member states of the IMO to implement their agreements and treaties in order to raise the efficiency and capability of the ships and those working on them.

#### 4. Advising exporters and importers to deal with national shipping companies.

It is worth mentioning that the International Chamber of Commerce opened an international marine office in London on 5 January 1981 to collect, provide, and exchange information pertaining to maritime fraud and acts of piracy. This office is composed of representatives of shipowners, banks, insurance companies, exporters, importers, and maritime organizations and institutions. It also publishes periodicals for all the states on the ships and companies embroiled in such operations.

#### Conclusion

International society, represented by UNCTAD, is preparing a bill on maritime transport which includes all means of fighting maritime fraud and piracy. Until this bill is completed, approved, and carried out, any cooperation at the regional or semi-regional level in this regard is considered a positive step toward terminating these phenomena.

It is worth mentioning also that the Cooperation Council of the Arab Gulf States (GCC) has considered several steps and recommendations in this regard. They may be pursued at the level of the Islamic states. They are summarized in the following points:

1. Establishing an Islamic center of information to provide and exchange information related to acts of piracy and maritime fraud among the Islamic states.
2. Preparing basic principles for ship registration.
3. Drawing up necessary conditions for licensing shipping companies and institutions to practice maritime transportation.

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CSO: 4404/81

SAUDI ARABIA

TELECOMMUNICATIONS IN EASTERN PROVINCE

Riyadh AL-RIYAD in Arabic 5 Oct 85 p 2

[Article from SPA: "175,000 Telephone Lines, 3,596 Telex Lines and 1,369 Mobile Phones Operating in Eastern province"]

[Text] By the end of the month of Dhu al-Qa'dah, 1405, the total number of telephone lines operative in the communications region of the general administration of the Eastern Province, including al-Dammam, al-Ihsa', al-Jubayl, al-Jawf and 'Ar'ar, had reached 175,489 lines.

Further, 3,569 telex lines, 1,399 mobile phone lines and 971 pay phones were in operation in all areas by the same date.

'Abdallah 'Abbad al-'Abbad, the director general for communications for the Eastern province reported this. He said that the total number of telex messages sent in all areas during the period mentioned numbered 317,309, of which 170,462 were domestic and 146,847 international. The income from these messages amounted to 8,524,424 riyals.

Al-'Abbad explained that the number of lines operative in the district of al-Dammam by the same date reached 111,111 and the number of telex lines reached 2,954. There were 1,203 mobile phone lines and 532 pay phones.

He added that the district of al-Dammam includes 24 exchanges and 9 booths for international calls. The percentage of installations within 24 hours was 38.2 percent, exceeding the official goal of 30 percent. The failure rate per 100 operative lines was 2.5 percent, and the average monthly income from telephone operations was 1,700,000 riyals. The total number of telegrams, both domestic and international, sent and received by the public was 820,513.

In the district of al-Ihsa', there were 130,436 telephone lines operating by the same date, and there were 42 telex lines and 175 mobile telephones.

Further, there were 129 pay phones. The percentage of installations within 24 hours was 79.92 percent, and within 7 days was 99.68 percent, compared to the goal of 95 percent. The percentage of failures repaired within 8 working hours reached 88.95 percent, compared with the goal of 82 percent. The rate of failures per 100 operating lines reported was 4.24 percent,

compared with the goal of 5.3 percent. The rate of failures per 100 lines reported for the international phone network was 4 percent, compared with a goal of 6 percent. The percentage of bills distributed within 5 days was 100 percent, compared with a goal of 95 percent. The number of calls from phone booths during the same month was 19,203.

Income from telex use was 259,697 riyals, and the total amount received from pay telephones was 261,739 riyals. Income from telegrams amounted to 44,324 riyals. There were 4,113 incoming and outgoing telegrams.

Al-'Abbad explained that the district of al-Jubayl had 8,609 telephone lines operating in the industrial city of al-Jubayl by the end of Dhu al-Qa'dah.

There were 133 telex lines in the civil organization of al-Jubayl and Yanbu'. There were 210 pay phones in the district and 4 exchanges, with a total capacity of 60,700 lines, and 6 phone booths for international calls. The percentage of installations within 24 hours reached 35.6 percent. The percent of failures repaired within 8 working hours was 68.3 percent. One hundred percent of the bills were distributed within 5 days. The average monthly income from pay phones was 29,000 riyals.

The general director of communications for the Eastern province pointed out that the district of al-Jawf had 14,864 phone lines in operation by the same date, spread over 7 exchanges. There were also 134 telex lines and 21 mobile phones in al-Qirat and Sakakah.

There were 62 pay phones. The percentage of installations within 24 hours reached 93.76 percent. The percentage of failures of lines within the district repaired within 8 hours reached 98.6 percent. One hundred percent of the bills from the previous period were received.

Al-'Abbad mentioned that the district includes 212 employees, counting the administrators. The district of al-Jawf includes a number of technical and administrative buildings designed according to the most advanced architectural specifications in most of the centers of the district. Planning is currently under way to construct other buildings for mobile phones in al-Qirat and Sakakah. The district has cooperated with the relevant governmental offices to supply all of the services to the pilgrims to Mecca arriving by roads from the north of the kingdom. It undertook to build a temporary center for reception of telegrams and telex messages and telephone calls, as well as setting up a number of temporary pay phones to provide international communications between the pilgrims and their families. An exchange is currently being put into operation for Sakakah, Qarah and Tabrajal and a modern microwave link from the public electricity network. This will be extended soon to the exchange for the district, which will require great efforts for maintenance and fuel. There has recently been completed in the district of al-Jawf a control system for the cable lines using a computer to cover the exchanges of Sakakah, al-Qurayyat and Dumat al-Jundal. This is to prevent failure of the cables and to control them to provide modern service to the subscribers. Repair center 904 was completed

in Sakakah, where one of the computer systems was put into operation to examine the subscribers' lines. Further, a project was completed to construct a center operating in cooperation with maintenance centers in al-Dammam, Riyadh and Jiddah, where four new phone booths have been built in the past year in a program of telephone expansion in the district, the total cost of which is 1 million riyals.

These booths provide service for 450 subscribers. Planning is currently underway for construction of 8 other booths to join in providing service to more than 1,800 subscribers, at a total cost of 2 million riyals.

Al-'Abbad explained that the number of telephones operating in the district of 'Ar'ar by the date mentioned was 9,469. There were 106 telex lines and 83 pay phones. The district includes 3 exchanges with a total capacity of 11,776 lines in each of 'Ar'ar, Tarif and Ruha'.

Telephone service reaches the other cities of the province, including the cities of al-'Uwayqilah, al-Jadidah and Linah by a microwave network. The district of 'Ar'ar includes 60 booths for the telephone network and 3 booths for international calls in 'Ar'ar, Tarif and Ruha'. In addition, the district of 'Ar'ar includes 15 telegraph centers. Al-'Abbad mentioned that the number of subscribers to the marine communications station in al-Dammam had reached 164 by the end of the month of Dhu al-Qa'dah.

12780/12781  
CSO: 4404/130

SAUDI ARABIA

## NEW ROADS PLANNED FOR EASTERN PROVINCE

London AL-SHARQ AL-AWSAT in Arabic 9 Nov 85 p 4

[Text] Sami Fudah, director general of the Roads Administration in the Eastern Province of Saudi Arabia, announced that the department is currently implementing several one-lane, two-lane, and express road projects to connect cities and villages in the Eastern Province. The total cost will amount to 637 million riyals.

These projects include the following roads:

The al-Qashlah--Dhahran airport road at a cost of 49 million riyals.  
The Dhahran--Port of Dammam road at a cost of 107 million riyals.  
A section of the port of Dammam road at a cost of 42 million riyals.  
The Abu Hadriyah--al-Na'iriyah road at a cost of 61 million riyals.  
The eighth section of the Dammam-Riyadh road at a cost of 197 million riyals.  
The sixth section of the Dammam--Riyadh road at a cost of 155 million riyals.  
The al-Ihsa' airport road at a cost of 26 million riyals.

The director general of roads administration in the Eastern province pointed out that at the end of the third 5-year plan the total distance of the road networks in the Eastern Province reached 3,885 kilometers, including one-lane, two-lane, and express roads. The total cost amounted to about 3.852 billion riyals.

Sami Fudah stated that the ministry is now studying numerous projects for establishing new roads, concentrating on solving bottlenecks and facilitating the movement of travelers and transportation between the various cities and villages of the Eastern Province.

In the area of maintenance, he said it had been taken into consideration to establish intensive programs for maintaining the roads in the province. He said that during the first year following completion of the project and opening it to traffic, the maintenance will be the responsibility of the contractor because the regulations of the Ministry of Communications stipulate that the contractor must guarantee any project for at least a year.

At the end of the one year guarantee the project is finally turned over to the maintenance department of the Ministry of Communications who, with the assistance of the roads administration, will conduct consecutive technical survey operations on the various roads to insure their safety and to determine the type of maintenance work that would be required.

12496

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SAUDI ARABIA

## HELICOPTER BASE IN MUNA OPENS

Riyadh AL-RIYAD in Arabic 15 Sep 85 p 2

[Text] Yesterday, Saturday, His Royal Highness Prince Majid bin 'Abd-al-'Aziz, governor of the emirate of Mecca and chairman of the central pilgrimage committee, opened a helicopter base in Muna near the Hajj stations.

His Highness Prince Majid arrived by civil defense aircraft and made a tour of the base. Then he and senior guests were honored with a celebration by the directorate general of civil defense. The celebration began with a reading from the Koran, then a speech by the director general of civil defense, Maj Gen Hashim Muhammad 'Abd-al-Rahman. In the speech he welcomed His Highness Prince Majid and all those present and referred to the arrangements and accomplishments of the ministry of interior in the area of helicopters. He stated that the helicopter formations under the directorate general of civil defense correspond to and are compatible with the most advanced and most modern civil defense systems in the world. Maj Gen Hashim said that the use of helicopters in civil defense began in 1397 H. and today covers the whole Kingdom of Saudi Arabia from four bases in Riyadh, Jeddah, Dhahran, and Khamis Mushayt. He said that the government of his majesty the king was eager to build this base so that it would serve the pilgrims to the Ka'abah. The government is devoting special attention to serving them and taking care of their needs in recognition of its responsibility for providing service to Mecca and Medina and for providing service to the pilgrims to Ka'abah and facilitating their journey to these holy places.

Then the director of the helicopter department, Lt Col 'Atiyah al-Ghamidi, made a speech in which he outlined the objectives of building the five bases and described the aircraft landing pads, maintenance workshops, operations rooms, offices, clinics and other similar services.

Lt Col 'Atiyah al-Ghamidi stated that the kingdom is anxious to offer all kinds of recreational activities to the relatives of those employed in public security and the military sectors. He mentioned that these aircraft had demonstrated their usefulness for their basic missions. These project has been expanded to cover [other areas in] the Kingdom and to include more advanced aircraft. There are five aircraft for fire extinguishing and rescue operations and three first-aid aircraft equipped with operating



rooms in which surgery is performed on the sick and those injured in traffic accidents, etc. These aircraft are air-conditioned and have all the medical equipment used in emergency rooms, such as EKG, respiration equipment, etc. They can carry four patients at one time. There are two command and control aircraft equipped with television cameras to report the situation to the commanders in the aircraft. They are also equipped with a communications network through which information and situation reports can be passed to operating rooms on the ground.

Lt Col al-Ghamidi said that 42 pilots and 158 aircraft technicians and other specialists are undergoing training abroad. This base has the capacity to operate ten aircraft at the same time, with all their flight crews, technicians, and medical teams.

Lt Nayif al-Harbi, a pilot, recited a Nabatean poem, then there was an air show of some of the functions of the helicopters. Afterwards, His Highness Price Majid drew back the curtain. Then senior officials rose to accompany him on a tour of the base installations. At the end of the celebration His Highness Price Majid said, in a statement to the press, "The helicopter services in civil defense have undergone unusual development and have made great progress. The aircraft are equipped with the latest equipment, and are far superior to their counterparts in the world. I am delighted that all those working with the aircraft are young Saudis who carry out their duties with complete precision and full devotion. Indeed I commend all the officials in this field for their efforts. Chief among them are His Highness brother Prince Nayif bin 'Abd-al-'Aziz, minister of interior; and His Excellency brother Hashim 'Abd-al-Rahman, director general of civil defense, whose efforts have clearly yielded this huge achievement. I want to commend the men of the civil defense for the excellent job they are doing whether in the fields of fire, safety or rescue. They are doing work that I can say is heroic and extraordinary, and I wish them the best fortune and success."

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PEOPLE'S DEMOCRATIC REPUBLIC OF YEMEN

ECONOMIC, TECHNICAL COOPERATION WITH CUBA

Aden 14 UKTUBAR in Arabic 24 Sep 85 pp 1, 3

[Text] Comrade Dr Yasin Sa'id Nu'man, member of the Central Committee, deputy prime minister and minister of fish resources, in his meeting yesterday morning with Comrade Jorge Fernandez, Cuban minister of the fishing industry and head of the Cuban side on the Cuban-Yemeni economic commission, discussed forms of economic and technical cooperation and the field of fish resources. Comrade Yasin Sa'id Nu'man praised the aid rendered our country in various fields by the Socialist Republic of Cuba.

For his part, Comrade Jorge explained satisfaction both with the efforts made by the Ministry of Fish Resources modern methods of fishing and with the progress of the joint commission.

On another matter, the proceedings of the seventh session of the joint commission for economic and technical cooperation between our country and Cuba got under way yesterday in the Ministry of Planning building.

Comrade Dr 'Abdallah Ahmad Bukayr, member of the Central Committee, minister of health, and head of the Yemeni side on the commission, spoke at the opening session. He said this meeting is considered a step toward the development and strengthening of bilateral relations between the two countries in various fields. He voiced appreciation for the great support given our country by the Socialist Republic of Cuba.

For his part, Comrade Jorge Fernandez, minister of the fishing industry and head of the Cuban side, expressed deep satisfaction with the welcome and friendly reception given him.

He asserted that the coming days would witness serious and fruitful action to carry out the tasks assigned to the commission by the leaders of the two countries.

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PEOPLE'S DEMOCRATIC REPUBLIC OF YEMEN

AGREEMENT TO FUND ADEN PORT DEVELOPMENT

Aden 14 UKTUBAR in Arabic 26 Sep 85 p 1

[Text] Comrade Eng Haydar Abu-Bakr al-'Atas, member of the political bureau and chairman of the Council of Ministers, welcomed in his office yesterday Shaykh Nasir al-Nuways, deputy minister of finance of the U.A.E. and director general of the Abu Dhabi Fund for development now visiting Aden. A number of matters concerning cooperation between our country and the fund in the field of economic and social development were discussed during the meeting. Among those present was Comrade 'Abdallah Sa'id Abdan, deputy minister of planning.

A loan agreement between our country and the Abu Dhabi Fund for Development was signed. It calls for the fund to contribute to the financing of a project to develop the port of Aden in the amount of 37 million emiri dirhams (\$10 million). Comrade Salih Abu-Bakr ibn Husaynun, member of the Central Committee and minister of communications, called attention to the fund's share in developing and enlarging the port of Aden, explaining the importance of the project in loading and unloading operations and in strengthening the role of the port and its participation in the national economy.

The head of the delegation Shaykh Nasir Nuways, deputy minister of finance and director general of the Fund, expressed satisfaction with what has been achieved in our country, pointing to the role of the port in subsequent development.

It is worth noting that the project for enlarging and developing the port, that will cost \$80 million in the first phase, includes contributions from the Saudi and Kuwaiti funds in the amount of \$30 and \$20 million respectively, in addition to the Abu Dhabi Fund, which contributed \$10 million. The first phase of the project involves a pier 900 meters long that will consist of various wharfs for general goods, structures and silos for grains, and roll-on-roll-off ships, also dredging and deepening the channel in front of the wharfs, creating landfills as construction areas, creation of plazas, studies and training.

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PEOPLE'S DEMOCRATIC REPUBLIC OF YEMEN

BRIEFS

SECOND PHASE OF MUKALLA PORT--An agreement was signed yesterday afternoon in the Yemeni Port Authority between the authority and the public organization for installations and industrial structures to carry out the second phase of the port of Mukalla (Khalaf). According to the agreement, the public organization for installations and industrial structures is to carry out the second phase of the project estimated to cost 4,853,753 dinars. It will include paving the open spaces and improved area, extension of water and electricity lines, creation of repair shops, roofed passages, and a fire station, and building of a watch tower--all this in addition to exterior activities. The agreement was signed on behalf of the Yemeni Port Authority by Comrade Zubayr Ahmad 'Ali 'Id, director general of the authority, and on behalf of the public organization for installations and industrial structures by Comrade Ghazi Ahmad 'Ali, director general of the organization. [Text] [Aden 14 UKTUBAR in Arabic 2 Oct 85 pp 1,8] 5214/12781

COOPERATIVE FISH PRODUCTION--The value of cooperative sector [fish] production will increase 9 percent from 5.5 million dinars in 1984 to 6 million dinars in 1985, i.e., an increase of 0.5 million dinars. Its relative importance will decline 33.4 percent of the total value of fisheries in 1984 to 32.3 percent in 1985, while the value of private sector production will amount to 3.8 million dinars in both 1984 and 1985, its share thereby declining steadily from 22.6 to 20.2 percent. [Text] [Aden 14 UKTUBAR in Arabic 29 Sep 85 p 5] 5214/12781

CSO: 4404/109

INDIA

WRITER ANALYZES U.S. PERCEPTIONS OF INDIA

Bombay THE TIMES OF INDIA in English 29 Nov 85 p 8

[Article by A.S. Abraham]

[Text] He was a very senior official at the south Asia desk in the state department in Washington. He played a not unimportant role in the U.S.-Pakistan 1981 negotiations whose outcome was the five-year, 3.2-billion-dollar U.S. arms and economic aid programme for Pakistan. When I met him in his office, he spoke glowingly of Rajiv Gandhi and of India, "a success story." Indira Gandhi had, of course, laid the basis of better Indo-U.S. ties, so there was a "continuity" in policy, no sharp break. But Rajiv "brings a change of tone and attitude, not in direction." Furthermore, "he is not disagreeable," allowing for the "possibility that he will change his mind."

Some days later, I met him again in the informal and relaxed atmosphere of a dinner-party. When the conversation turned to discussing the prospects for Indo-U.S. relations, he spoke very differently. When another American present said that India had long ago become "a fully subscribed and paid-up lackey of the Soviet Union," the state department man not only agreed, but joined his compatriot in launching a full-scale assault on India's "so-called" non-alignment.

But when, wearing his official cap, he had earlier spoken more guardedly of how India was perceived, he had not been hypocritical. For official America is ambivalent about Rajiv Gandhi's India. Expectations have been raised in the hope that a leader with his background, instincts and training which are seen to have cast him in so westernised a mould, must by his very nature gravitate towards a closer and less troubled relationship with the U.S. That is how his first policies and moves were interpreted.

Doctrine "Tilted"

But the expectation is not a little tinged by uncertainty. For India, while remaining a democracy, has been steadfast in its non-alignment, despite American accusations that its practice of this doctrine is "tilted" towards the Soviet Union. On Afghanistan in particular, India is charged with "choosing to turn its back" on a vital issue. Under Mrs Indira Gandhi,

of whom American officials speak with a formal respect that only barely hints at how difficult they found it to deal with her ("intimidating" is the adjective they favour), they felt they had got about as far as they could when she began to repair the relationship between the two countries with her visit to the U.S. in 1982. The good personal chemistry between her and President Reagan had helped, but the backlog of mistrust was still too huge.

With Rajiv, especially during and immediately after his U.S. trip last June, an opportunity was seen to have presented itself to make a fresh start. He had begun "by doing all the right things" and, with a little help from the Americans, could be expected to do more. Interestingly, this time it was not so much the Democrats, long sympathetic to India, who were keen on fashioning a new U.S. approach as "thinking conservatives, mainly Republican," who were previously neither much interested in nor especially well-disposed towards this country.

While political ties will overtly manifest how or whether things are improving, it is the economic and military links that, to quote an official involved in framing the new policy, will constitute the "meat" of the Indo-U.S. relationship. Here, according to a high-level defence and policy planning source, the U.S. objective is, through closer interaction with another democratic state that must, for that reason alone, "surely be a friend who shares our interests," to reduce what is politely called India's "unconscious dependence" on the Russians." Cheap Soviet arms aid to India is held to be of real value in helping to achieve New Delhi's "conscious" goal, viz., "the best defence of the country for the money spent." But it is also believed to have set up an "unconscious Soviet magnetic field" of political and ideological attraction.

The U.S., now that it might be given the chance, hopes to offset this attraction through the offer of alternative and superior technology. "The beginnings of a defence dialogue" are already to be seen, high-level military and economic exchanges have taken place regularly, the U.S. considers itself best suited to help usher in the computer revolution Mr Rajiv Gandhi has set his heart on, and while India has yet to be perceived by American businessmen as attractive for foreign investment, it is felt to be becoming more so.

#### Global Dimension

Regionally, the framework of U.S. policy is that although Afghanistan apart "south Asia doesn't count for us to the same degree as other areas like south-east or north-east Asia," it is also, relatively speaking, tension-free in superpower terms and is worth keeping that way, with India as the naturally predominant power. The global dimension of this policy is that as India becomes a world leader industrially, militarily and technologically, it would be very much in the U.S. interest to have helped it attain that stature.

Pakistan is acknowledged as an important factor in Indo-U.S. ties, but not the "touchstone." U.S. arms and economic generosity towards Pakistan is defended casually in Washington: "Pakistan needed reassurance after Afghanistan and we gave it." However, the U.S. wants no repetition of the security pact of the fifties which "encouraged Pakistan to take on" India in 1965. The F-16s had to be supplied because they were "a symbol to the Pakistanis of our willingness to give them a high place on our agenda." As for Pakistan's nuclear ambitions, "it is our belief that, because of our assistance, we have effectively limited Pakistan's nuclear programme." Where the U.S. has identified its objections to Pakistan having gone too far in this area, the latter has "honoured our objections."

Would Pakistan object to U.S. attempts to court India? On the contrary, according to a member of the U.S. secretary of state Mr George Shultz's policy planning staff, there has been nothing less than a "historical change in Pakistan's perception of his issue. It knows it stands to benefit from good Indo-U.S. ties." Another official, less extravagantly, said that if Pakistan did protest, "It could be handled." To a third, U.S. relations with India and Pakistan are "not a zero-sum game." America wants to and can have good ties with both. If the U.S. has occasionally been seen to be particularly warm to Pakistan, that is because "the Pakistanis have to be told regularly they are loved."

The U.S. interest in keeping south Asia stable could not be served without close American bonds with both India and Pakistan. So far, Pakistan had been the main focus of attention, largely because India had been keeping the U.S. at arm's length. Now that India was prepared to get a little more friendly, the U.S. would be only too glad to reciprocate. And unlike with Israel and the Arabs or Greece and Turkey, working for better Indo-U.S. ties would not only not put Pakistani backs up, but would be applauded by Islamabad.

#### Sophisticated Arms

Needless to say, there are elements in the U.S. administration, especially in the Pentagon and the DOD (department of defence) who do not want to see any new flowering of the Indo-U.S. relationship. A senior executive on a major armaments firm trying to sell sophisticated weaponry to India said that promoting India's case in the U.S. defence establishment is "like pushing a wet noodle uphill." No less graphically, he said that "the only significant place in the U.S. establishment where opposition to India remains is in the bowels of the Pentagon bureaucracy." Although especially since Rajiv Gandhi came to office, there had been a "sea-change in the U.S. attitude to India," it would not be easy to overcome such residual gut antagonism.

A high-ranking DOD member on the policy planning side, himself very sympathetic to India, confirmed the existence of these hardliners who, he said, fell into four categories. One was the "India-is-a-hopeless-case" school which believes that the only reason India hasn't joined the Warsaw Pact is that it "lacks the nerve." This group was jubilant when Rajiv Gandhi

went to Cuba before going on to New York for the UN 50th anniversary meeting, and even more so when he unexpectedly called on Mr Gorbachov on his way back home. As one hardliner put it, it only showed how "chicken-shit" he was that, after meeting President Reagan, he had to pay obeisance to the Soviet leader.

The second category was pro-Pakistanis who believed that for the U.S. to cozy up to India which had been so cool towards America for so long, would be to "betray" Pakistan which had been so steadfast an ally. The third included those who had security objections to dealing with India because they feared it could not protect confidentiality. Finally, there were those who felt that American interests dictated that India should not be allowed to dominate the region.

Rajiv Gandhi's address at the UN disappointed some sections of the Reagan administration who expected him to worry less about trying to project himself as a third-world leader in the making. Compared to the enthusiasm with which official America greeted him before, during and immediately after his June visit, there is greater circumspection now. Will things really change? Or is he creating only the illusion of change? The Americans are waiting and watching. Their honeymoon with him is all but over. It is time to examine the reality behind the image.

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INDIA

STOCK EXCHANGE PRESIDENT ON U.S. INVESTMENTS

Madras THE HINDU in English 21 Nov 85 p 28

[Article by S. Ramaswami, president, Madras Stock Exchange]

[Text] The American involvement in the post-independent industrial development of India has been far less than desired. The government-to-government aid has become restricted due to many compulsions, most of them political. Private investment of multinationals in India has again been not appreciable, following the rather cautions (rightly so) approach of the Indian Government all these years. The way these giants have operated all over the world--purely on mercantile considerations--would make any host country wary of opening the floodgates for them to exploit its market.

India does need appropriate high technology and the investment to go with it, but any destabilising effect such investment may create in its economy will have to be avoided. While the U.S. Government is looking for a fundamental shift in India's external policy, many American firms would expect to be allowed to exploit the vast Indian consumer market.

Another area of investment in India proposed by a few U.S. investment houses following the change in the distribution of economic power in the world in the last few years relates to direct investment in equities. The following observations are based on the recent discussions an Indian financial services delegation had with large American investment management groups and also on materials provided during the visit. While the average equity investor in the U.S. would like to restrict his investment to known local companies, many investment bodies are already looking for global investment opportunities.

Dominant tax-free funds

The tax-exempt U.S. funds and institutions constitute a dominant force with their enormous resources in the U.S. equity market. Many retired Americans supplement their social security income with an extensive private pension system, the funds for which are provided by the corporate sector and the Federal, State and even municipal agencies. Company and government pension and retirement (PF) funds account for the largest single block of share investment money in the U.S. There are other tax-free asset accumulations

like employee savings and profit sharing plans, individual retirement plans, mutual funds, endowments, trusts and foundations. In India too, there are similar tax free accumulations like the PF, PPF and trusts except that they are not allowed to invest in equities. An exception is the monopoly Unit Trust.

The total assets of the tax-exempt institutions in the U.S. are estimated at about \$1.25 trillion (Rs 1500,000 crores) as of now. These grow at an annual rate of about 10 percent. The breakup of their investment is as follows: 5 percent in U.S. properties, 35 percent in fixed interest securities of governments and government agencies, 10 percent in short term investments like treasury bills and commercial paper, and a whopping 50 percent in equity shares. Thus the investment in common stocks by these institutions exceed \$600 billions. It is one third of the market value of all U.S. equity shares, placed at about \$2 trillion.

Who manages these investments, these stock assets? Not government agencies, but hundreds of professional investment organisations. They compete aggressively and intensely on the basis of achieving a satisfactory investment performance for clients' total return, consistent with their criteria of risk. Therefore, there is relatively a high rate of portfolio turnover, accounting for at least two-thirds of all trading volume in the American stock markets. In India, the volume of trading is mainly on account of short term speculators, aided by the system of extended settlements. Institutions on the other hand operate in fits and starts, contributing further to the distortion in the markets.

The forces that control the \$600-billion equity assets in the U.S. are hundreds of professional investment organisations. These may be an arm of a commercial bank, insurance company or other advisory organisations, either independent or attached to large security houses and investment bankers.

The rise of smaller groups

Of late, there has been a shift in the management of these funds. Many independent investment organisations and advisers are managing more and more accounts at the expense of banks and other bodies. The reason is that many smaller groups have turned out better long term performance than bank-managed funds; without the constraints felt by the larger organisations, the managers of the smaller groups have been more resourceful and are better paid.

What is the relevance of all this analysis to India? For this, one must first look at the changes taking place on the U.S. equity investment scene itself, so that the impact becomes self-evident.

Contrary to common belief, the present day American is less venturesome than perhaps the average European, Japanese or even Indian. This is because he has everything he wants in the U.S. itself. The same has been with investments. Historically, the vast tax-exempt institutions have had a miniscule

portion of their investments in foreign equities. There has, in the last five years or so, been some rapid increase in foreign investment holdings; but they still constitute three percent of the total equity investments or less than about \$20 billions.

The main reason for the low figure is that more than half of the worldwide equity investment has been in U.S. stock itself. There is a very broad spectrum of U.S. industry sector which enables the necessary diversification required in any portfolio management. Further, since the U.S. has been self-sufficient in investment opportunities, the capability of many fund managers to operate globally has also been limited, unlike the British who have traditionally been worldwide traders with colonial ties and also limited investment opportunities at home. Further, non-U.S. markets, except of course Japan and the U.K., have always presented problems of liquidity, availability of information, local laws and other constraints even for the few exceptionally venturesome U.S. investment funds.

However, out of necessity, their attitude of indifference to equity investments abroad is changing, assert the American fund managers. Many investing funds and their managers are aware of the impact of worldwide developments on the U.S. economy and the smug isolation is giving way to some uneasiness. They have started taking a hard look at the outside equity investment opportunities with equal or possibly greater attractiveness.

The growth of foreign investment markets is also likely to be faster than opportunities within the U.S., as the world economic power is getting distributed among various nations. The inroads made by the Japanese in many areas of manufacturing dominated by the U.S.--for instance, steel, automobiles, electronics, telecommunications and robotics have forced some rethinking. Given these economic realities, the fund managers are looking for investment opportunities in equities worldwide, apart from Japan. They have already made some progress in countries like Hong Kong and more recently in Taiwan and Korea. Some of these countries did not have even an organised stock market till recently. China is another country of interest and reports of Chinese interest in stock markets have been appearing periodically.

India has so far not permitted portfolio investment by foreigners. The non-resident schemes have not been a success; the remittances from West Asia have been for investment in deposits and property. The average Indian American as an individual is basically oblivious to equity investment in India, blissfully chasing his own American dreams of a bigger house, a membership in the country club and fuller Americanisation.

The new awareness about India created by Mr Rajiv Gandhi's economic policies has helped fund managers to have a closer look at equity investment in India and the stock markets. The PE ratios of Indian stocks are attractive, even after the recent phenomenal boom. The relative political stability, the open declaration of taking India to unforeseen heights by the end of the century, the willingness to experiment, a well developed stock market, the basically thrifty nature of the society, the exceptionally high credit

rating of India in the world money markets, are all viewed as positive features for American equity investment in India.

#### Scope for selective scheme

Will the Indian Government ever allow foreign investment in Indian equities? The spectre of brash intervention in Indian stock markets by such forages of foreign fund managers will produce a reactive 'No' from many. On the other hand, uncontrolled optimism without considering carefully the repercussions could ruin the stock markets and capital markets built over the past hundred years. Between the two extremes lies a golden mean whereby a proper selective scheme of allowing equity investment by foreigners could be considered by the Government. The mechanics of listing and trading could be worked out. A few Indian companies may get listed on American Stock Exchanges. A simple procedure may be to have a depository scheme to issue American securities for underlying Indian shares and thus create a market for Indian shares abroad. The possibilities of having mutual funds that could invest in Indian equities (these funds themselves could be listed and traded in U.S. and other markets) could be considered. Similar experiments have been successful in other countries.

The idea of opening up Indian capital markets to foreign investors is new. But with the opening to non-resident Indians, many of whom not having Indian nationality, the first step has been taken already. The present Government may not be averse to examining any new proposal, however outrageous it may appear to start with. It may after all be less revolutionary than reducing taxes.

/9317

CSO: 4600/1223

INDIA

UNION CARBIDE 'DIRECTLY RESPONSIBLE FOR BHOPAL'

Bombay THE TIMES OF INDIA in English 30 Nov 85 p 8

[Editorial]

[Text] The Madhya Pradesh government has at long last made its eagerly awaited submission before the N.K. Singh inquiry commission on the Bhopal gas catastrophe. In its 16-page statement the state government has made a scathing indictment of the Union Carbide Corporation (UCC), the U.S.-based parent of Union Carbide India Ltd. The statement is significant in that it raises the level of discussion on the causes of the Bhopal tragedy last December in which 2,500 were killed and several times as many were maimed. It also makes some important points about corporate responsibility. The state government has contended on the basis of evidence that the root cause of the accidental release of over 40 tonnes of methyl isocyanate and the associated products of its decomposition lay not in operator error but in flawed operating and maintenance practices, poor quality of many critical pieces of equipment and, most important, faulty design of the plant. It has stated that UCC must be held responsible for installing a plant of inferior design in Bhopal and for specifying the practices and procedures for its running, which led to the catastrophic gas leak.

As the results of a number of investigations into the causes of the gas leak have demonstrated, there is just no legitimate way the UCC can wriggle out of this responsibility or try to pass it on to its Indian subsidiary, or suggest, as it has done, that saboteurs were at work in the plant. For the plain fact is that UCC and not its local subsidiary made all the crucial decisions pertaining to the process employed in the plant, the equipment it would use, the way it would be run and maintained. The American chemical firm, not UCIL, was in possession of all vital information not only on the plant's disposition and potential or actual flaws in it, but also on the hazards posed by MIC and other toxic chemicals produced, used and stored in the factory. Indeed UCIL's role in the running of the plant was basically passive in relation to UCC's. It was UCC, not UCIL, that took the critical decisions to compromise on the quality of the equipment installed and to eliminate some safety devices and mechanisms from its design. UCC also played the determining role even in major aspects of the day-to-day functioning of the Bhopal plant. As the Madhya Pradesh government has argued, the key management personnel of the multinational

exercised "closely held power which is neither restricted by national boundaries nor effectively controlled by international law"; and that it is therefore not possible to isolate the specific unit of the enterprise which caused the harm.

But what of the role of the state government's own inspection agencies? Is it correct to hold, as the government has done, that they can be absolved of negligence in carrying out their duties? This issue has two components. First it is incontrovertible that the factories inspectorate of Madhya Pradesh, as that of any other state, does not represent the best form of state regulation of hazardous industries. Most such inspection agencies are too grossly understaffed, too incompetent and often too corrupt to be able to play an adequate role in ensuring that safety standards are not violated by managements. There is no reason to believe that the Madhya Pradesh agencies were any different. But secondly, that role is itself rather vague and certainly very limited. In some ways this must necessarily be so, given the fact that many safety standards and norms like hazards, are plant- and process-specific, and that in the absence of complete information on the plant and its hazards, it is impossible to lay down safety criteria and inspect the factory for their breach. It is equally true that few companies will agree to part with all the information they have on their processes and hazards, which is of a proprietary nature, and hence that regulating them for safety becomes an extraordinarily difficult task.

There is thus a great deal of merit in the Madhya Pradesh government's argument that no inspecting agency "could be reasonably expected to possess" the expertise to probe deep into design faults, or into defects in fabrication of the plant and machinery, and to ensure their continuous proper operation and maintenance. This is not to commend the state's factories inspectorate as efficient, clean and competent. It is merely to emphasise that even if it had been so, it could not have possibly gone into questions pertaining to flaws in the basic design of the plant, or discrepancies between design and actual quality of equipment, or details of storage, operating and maintenance practices and manning levels. As it happened, it is these factors that were at work in causing the catastrophic accident. It is of course possible to argue for the need for another body, at the national level, which goes into these issues and grants its approval only on the basis of a comprehensive investigation. It may also be appropriate to draw up norms for the transfer of technology from multinational corporations to this country. That, however, is not the issue here. The pertinent question is, who was responsible for the cause of the Bhopal accident? The unambiguous answer to this must be the Union Carbide Corporation.

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CSO: 4600/1240

INDIA

SOVIET OFFICIAL ON GROWTH OF SOVIET-INDIAN TRADE

New Delhi PATRIOT in English 18 Nov 85 p 6

[Article by I.T. Grishin, Deputy Minister of Foreign Trade of the USSR]

[Text]

Specific features of the Soviet-Indian trade relations, which are the most dynamic sector of cooperation between the two countries, are their high and stable growth rates. The trade turnover between the two countries has grown from Rs 1.3 crore in 1953 to over Rs 4,600 crore in 1985.

The growth has been not only in the absolute figures of trade, but also in the foreign economic ties of each of the partners as well. For example, India has become the USSR's biggest trade partner among the developing countries and now ranks seventh among the capitalist ones. The Soviet Union's share in India's foreign goods turnover went up from 2.7 per cent in the 1960-1961 fiscal year to 13.2 per cent in the 1982-1983 fiscal year, with the USSR's share in the exports of Indian commodities having reached 17.6 per cent by now.

1985 is a landmark year in the development of Soviet-Indian trade, for this is when the results of the trade between the two countries are summed up for the past five-year period. In 1981-1984 the overall Soviet-Indian goods turnover totalled 10,000 million roubles. Taking into account the commitments of the sides on the mutual goods deliveries for 1985, the volume of trade may reach 13,000 million roubles in the current five-year period, as compared with 5,100 million roubles in 1976-

1980. Thus, a 2.5-fold growth of Soviet-Indian trade may be expected during the current five-year period.

The relations of equitable businesslike cooperation and respect for each other's interests are a guarantee of the progressive development of Soviet-Indian trade. The Soviet Union supplies India with machines and equipment the latter needs for the development of its economy. This includes metal-cutting machines, press-forging plants, walking excavators, drilling machines, cranes, diesel generators, looms, computers, as well as industrial raw materials (oil, oil products, fertilizers, non-ferrous metals).

Soviet deliveries hold a rather important place in India's imports of certain commodities. For example, the Soviet Union meets 60 per cent of India's needs in kerosene, 40 per cent of its needs in diesel fuel, 25 per cent in zinc, and 20 per cent in newsprint.

For its own part, India exports to the USSR a wide range of commodities which are either not produced in the USSR due to climatic conditions (jute, jute articles, castor oil, coffee, black pepper and others) or their production in the USSR does not fully cover the requirements of its economy (skins and hides, tea, cotton fabrics, fruit juices and others).

Of particular importance for India are the goods deliveries to the USSR which, in conditions of

the unstable market conditions in the capitalist economy has become a guaranteed market for the sale of Indian commodities. If in 1970-1971, the USSR accounted for 13 per cent in the overall volume of India's export, in the 1982-83 financial year this figure had already gone up to 17.6 per cent. The USSR's share in India's exports of certain goods at present is as follows: tea — up to 28 per cent, coffee — up to 37 per cent, black pepper and spices — up to 25 per cent, tobacco — up to 40 per cent.

As the volume of exports of Indian goods to the USSR increased, there has been diversification of its

Particularly noteworthy are the growing deliveries to the USSR of what is known as 'engineering commodities'. If in the previous five-year period their volume amounted to 150 million roubles, in the current five-year period their overall volume might top 750 million roubles. Today, India exports to the USSR power cable, automobile batteries, garage equipment, marine containers, printing equipment, etc. The plants in Durgapur and Ranchi which were built with Soviet assistance, deliv-

er metallurgical equipment, spheric and cone crushers, winches, conveyors, etc.

An important feature of Soviet-Indian business cooperation is that the trade is well balanced, with the reciprocal payments effected in rupees. This means that India pays for the Soviet deliveries of machines and equipment, raw and other materials in short supply not in convertible currency, but with the output of its industry and agriculture.

Both countries constantly seek to expand and deepen their mutual business cooperation. The new trade agreement for the next five-year period (1986-1990), which will provide for the further growth of the goods turnover, will now be signed. Both sides are aware that a widening of the range of mutual goods supplies provides new opportunities and reserves for boosting their trade and improving the forms of their trade cooperation. These questions were discussed at the meetings of the working group for trade of the inter-government Soviet-Indian commission for economic, scientific and technical

cooperation held in July 1984 and April 1985.

An important place in the realization of additional opportunities for developing trade belongs to the regular meetings and consultations of the chambers of trade and industry of the USSR and India. Of late the Soviet Union was visited by delegations of the chambers of trade and industry of Calcutta, Bombay, Gujarat, and the Association of the Engineering Industry of India.

It is admitted at the regular meetings, consultations and seminars that production cooperation, cooperation in the servicing sphere, joint participation in carrying out projects in third countries might become new promising trends of cooperation.

The results that have been achieved and the broad prospects of Soviet-Indian trade convincingly show that much can be achieved by countries in the sphere of economic cooperation, provided the relations between them are based on mutual trust, confidence and consideration for the interests of the partners.

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CSO: 4600/1215



INDIA

SOVIET TRADE PACT SIGNED, TRADE FAIR CLOSES

New Delhi PATRIOT in English 28 Nov 85 p 3

[Text]

Trade contracts worth Rs 100 million have been signed at the Soviet pavilion in the India International Trade Fair. The contracts were expected to reach Rs 340 million mark, said commercial director of the pavilion Leonid Papin on Wednesday.

Addressing newsmen at the pavilion, Mr Papin said the contracts covered Soviet exports of reactive fuel used in jet planes, equipment for the manufacture of rubber goods including tyres and its import of Indian garments and handicrafts.

The five-year trade agreement between India and Soviet Union was finalised, following the visit of a trade delegation led by Soviet Deputy Minister for Foreign Trade I T Grishin to the fair.

India being the largest trade partner of the USSR from the developing countries, accounted for 15 per cent of the total Soviet trade with them. The Soviet share of India's external trade exceeded 13 per cent, he said.

**Haryana, Rajasthan pavilions:** As the Trade Fair came to a close, the Haryana pavilion downed its shutters to the strains of Gurubani which was relayed to mark the birthday of Guru Nanak.

Nearly three lakh persons had visited the pavilion by Wednesday afternoon, additional director

of industries N K Jain said.

Rajasthan pavilion had a VVIP visitor in Chief Minister Harideo Joshi who showed keen interest in the exhibition put up on the contributions of Rajasthan during the freedom struggle, besides spending time at the stalls showing the State's handicrafts and electric typewriters.

The items that drew maximum interest at the Haryana pavilion were the giant-sized digital clock and neon signs, the Gypsy jeep of Maruti, the washing machines, and the electronic devices displayed by the State Electronics Development Corporation.

According to Industries Commissioner B S Ojha, Haryana has sought setting up of an export processing zone to offer package incentives to electronic units at Udyog Vihar.

Visitors turnout on the Trade Fair's last day was massive. There was rush in all the pavilions. Long queues were a common sight.

Pragati Maidan had a festive look with people with children in colourful woollens roamed around. Eatables being very costly on the fair grounds, many had brought food packets with them.

Thursday is the formal closing day of the Trade Fair, but for the public its gates closed on Wednesday night.

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CSO: 4600/1236

INDIA

# GANDHI, BHAGAT DISCUSS RELATIONS WITH PRC

Bombay THE TIMES OF INDIA in English 22 Nov 85 p 1

[Text] New Delhi, November 21--The Prime Minister, Mr Rajiv Gandhi, said today that trade relations with China would depend on the settlement of the boundary issue.

Intervening during question hour in the Rajya Sabha, the Prime Minister rejected a suggestion that notwithstanding the progress of the boundary talks close trade ties could be forged with China. He said everyone in the house would not agree with this view and the government would certainly not agree with it.

Earlier, the external affairs minister, Mr B.R. Bhagat, assured the members that India would not cede even an inch of territory which rightfully and legally belonged to it.

Mr Bhagat said India had earlier rejected Beijing's proposals and its willingness to discuss border in all sectors did not mean it had been influenced by the Chinese claims.

Several opposition members cautioned the government against making any concessions to China for the sake of normalisation of bilateral relations.

Mr Bhagat said only one round of talks on the substantive boundary issue had been held and it would take more effort to prepare the way for dealing with the problem at the political level. India did not have a piecemeal approach to the problem.

He said that the recent talks covered boundary in the eastern sector also, even though India believed that there was no dispute over it since there was a customary line dividing the two countries. He clarified that by taking up the eastern sector during the talks, India had not made any concession.

He said that the talks primarily focused on the boundary issue and that both the sides clarified their respective positions. A settlement was reached on the question of the Indian embassy property in Beijing, he said.

UNI adds: Mr Satyanarayan Reddy sought India's stand on the reported package deal and on the vast territories belonging to India under the illegal occupation of China.

Mr Bhagat made it clear that the proposed package deal had been rejected long ago. What is of interest to India is the settlement of the crucial border dispute.

Mr Bhagat said China has laid claims to 90,000 sq km of territory in the northeastern border state of Arunachal Pradesh and 1,336 sq km in the middle sector besides illegally occupying 38,000 sq km in the western sector.

Replying to a supplementary, the minister said a lot of ground has to be covered before a high-level meeting could take place on the boundary question.

In a written reply Mr Bhagat told Mr Kapil Verma that India has conveyed to the Chinese government its concern at reports regarding Sino-Pak nuclear collaboration. The Chinese government has stated that it does not intend to give or has given help as far as nuclear proliferation was concerned.

Replying to another question, he said while the government's attention had been drawn to reports that China was upgrading the Karakoran highway linking Kashi (Kashmir) in northwest Xinjiang province with Pak-occupied Kashmir, so far no authentic information was available.

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CSO: 4600/1225

INDIA

# BJP LEADER MEETS PRESS, DISCUSSES INDO-PRC RELATIONS

Calcutta THE SUNDAY STATESMAN in English 24 Nov 85 p 9

[Text] Lucknow, Nov 23--The Bharatiya Janata Party president, Mr A.B. Vajpayee, today said the border dispute with China should be settled on a sector-to-sector basis, reports UNI.

Calling for a speedy settlement of the problem, Mr Vajpayee told a Press conference here that he would soon write to the Prime Minister to take up the matter on a priority basis.

He also called for resumption of the traditional Indo-Tibetan trade links for bolstering the economy of the hill districts of Uttar Pradesh. He was on a tour of the hill areas of the State.

On Indo-Pak relations, Mr Vajpayee said the "threat" from Pakistan was being blown out of proportions and Government statements on the matter were contradictory.

"Still we have to be alert and on the guard, but the Government on its part should take the people and the Parliament into confidence in such matters."

He described Mr Rajiv Gandhi's approach as "elitist" and said liberalization of imports and a renewed influx of multinationals posed a threat to India's self-reliance.

Regarding electoral adjustments with other parties for the coming elections in Assam, Mr Vajpayee said "we have a very large number of candidates ourselves and cannot offer seats to other parties."

Refuting charges that the BJP was facing an "ideological crisis" he said "there were some differences but they have since been ironed out."

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CSO: 4600/1229

INDIA

PURPOSE BEHIND RAJIV VISIT TO JAPAN ANALYZED

Madras THE HINDU in English 17 Nov 85 p 2

[Article by G.K. Reddy]

[Text] Once again there is renewed interest in India on increased Indo-Japanese economic cooperation on the eve of the Prime Minister's visit at the end of this month to the land of the rising sun. It is a complex country, a closed society, that evokes both envy and admiration, but without ill-feeling and apprehension. It is a new nation that has risen Phoenix-like from the ashes of the old one and already leaped forward into the next century wielding enormous economic power without arms.

The Japanese phenomenon perplexes countries like India, burdened with a heavy backlog of problems, which want to copy Japan to catch up with their lost opportunities, but are unable to understand the secret of its success in transforming itself into an economic superpower within 40 years without losing its identity or shedding its traditions. The Prime Minister, Mr Rajiv Gandhi, imbued as he is with a technological vision of his country's future, has been fascinated by the Japanese miracle. He is making this voyage of discovery to this Juggernaut to see how India can benefit from its experience.

Indo-Japanese relations have been traditionally good with no conflicts of interest since their paths have not crossed at any time in the history of these two great Asian nations. But they have had relatively little contact in the political or economic spheres, despite their shared desire to develop a mutually beneficial relationship in many areas that offer immense scope for fruitful cooperation. The two countries together with their vast technical skills and natural resources could serve as a nucleus for north-south cooperation in Asia inhabited by nearly one-half of the world's population.

The paradox is that all these years neither India nor Japan has realised the great potentialities of this cooperation which could serve as an illustrious example of inter-dependence between developed and developing nations. It is unfortunate that no concerted effort has been made so far by the two countries to evolve a pattern of economic relationship and a framework for technological collaboration without prejudice to their political pursuits based on differing perceptions.

But better late than never; the present Prime Minister of Japan, Mr Yasuhiro Nakasone, has taken steps to fill this psychological gap and put greater content into Indo-Japanese relations. Before her assassination, Indira Gandhi responded to this initiative by holding out the prospect of increased Japanese participation in India's economic development. Now her son is making a bold bid to emulate the Japanese example to the extent possible under present-day Indian conditions, for absorbing its technology, assimilating its work culture and adopting its hard-headed approach to industrialisation.

#### Symbol of Asian resistance

The Indian people have known very little of Japan's history and culture, its values and traditions, except in a general way about its spectacular achievements. For long western propaganda had portrayed Japan, particularly during the colonial period, as a closed society that was mysterious and inscrutable, difficult to understand and appreciate, let alone benefit from its callous ways of life. The Japanese products which were subjected to all kinds of discrimination were dubbed as cheap imitations of western goods, of poor quality and doubtful utility irrespective of their highly competitive prices. It took India a long time even after its independence to become better aware of the great technical advances that Japan had made in post-war years in establishing a high reputation for quality and perfection.

Despite all this disinformation, the Indian people admired the Japanese renaissance since it came to be widely regarded as an eloquent symbol of Asian resistance to western dominance, so much so that even a man of peace like Mahatma Gandhi had no hesitation in applauding Japan's victory against Russia in the 1904-5 war in Manchuria, since it represented the very first defeat suffered by a white colonial power at the hands of a non-white people. The subsequent conquests of Japan in Asia and the barbarities of its militarism in China and elsewhere no doubt shocked Asian opinion and tarnished its image, but the Indian people who had not been subjected to the ugly realities of Japanese occupation during the Second World War tended to derive some vicarious satisfaction from the crushing defeats inflicted by the Japanese armies on British, French and Dutch imperialism in Asia, shattering forever the myth of the invincibility of the European races.

When atom bombs were dropped on Hiroshima and Nagasaki compelling Japan to surrender, there was a great surge of sympathy for the plight of the vanquished Japanese people despite all the horrors inflicted by their brutal armies on fellow Asians in China, Korea, Philippines, Indo-China, Thailand, Burma, Malaya, Indonesia and the numerous islands dotting the vast expanse of the Pacific ocean. The ill-advised British decision to brand Netaji Subhas Bose as a traitor and try the Indian soldiers who joined the INA for treason created such a sense of outrage in India that it generated further sympathy for Japan as a country that helped them with whatever motivation.

It was not surprising that the Indian representative on the Tokyo War Crimes Tribunal, Dr Radhabinod Pal, gave a dissenting judgment. As a logical follow-up of this stand, India signed a separate peace treaty with Japan in 1952 renouncing its claims for reparations. But unfortunately the two countries started drifting apart in the wake of the cold war, with Japan going the whole hog in identifying itself with the U.S. and India steering a middle course and giving the benefit of doubt to China and the Soviet Union in the name of non-alignment.

The virtual freeze that followed in Indo-Japanese relations at the political level came in the way of closer economic links with neither country making any major move to intensify trade or open the way for increased industrial collaboration. It was not therefore surprising that no Japanese Prime Minister cared to visit India for 23 years, until Mr Nakasone paid a brief trip to Delhi last year, although the two Governments kept up a pretence of high level contacts through an exchange of ministerial visits. Though Indira Gandhi stopped over for a day in Tokyo in 1982 on her way back from the U.S., an Indian Prime Minister will be paying an official visit after an interval of 17 years when Mr Rajiv Gandhi goes to Japan.

It was certainly a sad commentary on the state of Indo-Japanese relationship during the last three or four decades. It was not just a case of disinterest or indifference, but a classic example of an unavoidable drift and loss of direction which neither country cared to check in the absence of any obvious compulsions for restoring the missing perspective in their relations. In the gerontocracy of Japanese politics, the country's 16th post-war Prime Minister, Mr Kakuei Tanaka, the youngest at 54 in the lineage of octogenarians, made a bold bid in 1973 to break away from this mould and cultivate South East Asian countries to provide a new Asian dimension to Japan's aspirations. But this premature initiative taken well before the bitter memories of Japan's wartime brutalities in the conquered countries ended up in a big political disaster by producing a new wave of resentment against Japan.

#### Strange combination

This diplomatic fiasco made the Japanese withdraw further from the Asian scene and turn increasingly to Latin America for new avenues of trade and investment. The process got reversed following Sino-American reconciliation and the progressive change in the attitudes of the South-East Asian peoples. The present Prime Minister, Mr Nakasone, the 23rd one in this series, who is an equally dynamic figure, has seized the right psychological moment to open a window, as it were, on Asia and in his foreign policy both China and India have been receiving considerable attention.

The ambivalent Japanese attitude towards India all these years represented a strange combination of veneration as the birthplace of the Buddha, admiration for its spiritual traditions, impatience with its archaic ways, irritations over its bureaucratic procedures and indifference towards its economic aspirations. The average Japanese, whether he is a politician, diplomat, intellectual, technocrat or businessman, does not still understand

what exactly are India's objectives. The reflexes of his Indian counterpart are no less conditioned by the western caricatures of Japan as a self-centred society that is too obsessed with its own economic ambitions to bother about the sensitivities of other people, especially the developing Asian and African countries that do not have much to offer in quick return for Japanese cooperation.

### Asian identity

The Indian people by and large look upon Japan with a degree of admiration as a highly self-centred and achievement-oriented society with a strong sense of national discipline, a passion for perfection, a firm determination to succeed at any cost, a tremendous capacity to absorb and improve upon latest technological advances and an uncanny ability to overcome innumerable trade barriers through keen competition. But this admiration is also tinged with a touch of resentment that in its excessive preoccupation with growth, Japan has failed to develop an Asian identity without diluting its links with the west, especially the U.S.

It is the absence of this consciousness in the Japanese psyche that has contributed to its emotional isolation from the Asian mainstream, as it went about steamrolling its way like a gigantic robot accomplishing peacefully through hard work what it failed to achieve through militarism. This critical view of Japan has not diluted in any way India's admiration for its firm adherence to its new democratic values without discarding the country's old traditions, its respect for the rule of law, the role of its free press and its lively parliament, an alert opposition and assertive public opinion which prevents misuses of political power beyond the limits of tolerance.

The Prime Minister and his advisers know quite well that India has to blame itself equally for Japan's past neglect of this country because the previous Indian Governments had revelled in their own ambiguities not knowing what they wanted and with no clear concept of what Japan could do to help its development. There has also been a deplorable failure on India's part in establishing a proper political equation with Japan which could have paved the way for increased economic cooperation without embarrassment to either side.

If India failed to attract Japanese investment and technological cooperation on a larger scale, it was primarily because of its own starry-eyed socialistic approach which in the name of planning led to needless restrictions. As a cautious and pragmatic people, the Japanese preferred to bide their time till the right conditions were created for foreign participation. Now that India has started shedding some of its earlier misconceptions and adopting consciously a policy of liberalisation when the rest of the world is moving increasingly towards restrictive trade practices, it is time that the big Japanese companies come forward with proposals for participation in core sectors like transport, telecommunications, petrochemicals, electronics, steel, coal and power generation.



From India's point of view too, no country is better qualified than Japan to assist in its rapid industrialisation, its work ethics, cost-conscious approach, a readiness to face both domestic and foreign competition stand out in sharp contrast with the high cost economy that India has established through a State monopoly in core sectors and absence of any incentives to increase productivity or improve the quality of products. The western industrial societies with their high labour costs and expensive technologies cannot meet India's requirements as Japan can through its better adaptability to Indian conditions.

It is in full awareness of all these factors that Mr Rajiv Gandhi has taken a conscious decision to explore the possibilities of greater cooperation with Japan before turning to other industrialised countries for assistance. The Japanese too, cannot afford to let go this opportunity since they need a big market like India for their capital goods and trade at a time when the western countries are resorting to restrictive practices against them.

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INDIA

REPORTAGE ON RAJIV'S VISIT TO JAPAN

28 Nov Activities

Bombay THE TIMES OF INDIA in English 29 Nov 85 p 1

[Article by Kirit Bhaumik]

[Text] Tokyo, November 28--Japan has agreed to extend an additional credit of 30 billion yen (about Rs 160 crore) for converting petroleum gas in Assam into energy through turbine technology.

This was decided during talks between the Prime Minister, Mr Rajiv Gandhi, and his Japanese counterpart, Mr Yasuhiro Nakasone, here this evening.

This will be in addition to the 39 billion yen credit which Japan will provide in the coming year.

Besides, the two prime ministers decided that to promote trade and strengthen economic and cultural ties between the two countries, a Festival of India would be held in Japan and a Japan Week organised in India.

The talks were held soon after the arrival of the Prime Minister on a three-day state visit here.

Mr Gandhi emphasised that his mission was not just to conclude a business deal but to revive ancient cultural links with Japan.

He told Mr Nakasone that India not only wanted to get high technology from Japan but also learn from its leaders how to forge ahead economically and at the same time preserve one's civilisation and ancient cultural heritage.

The two prime ministers also discussed a wide range of international issues. They welcomed the outcome of the Geneva summit and hoped that when the experts' meeting took place in January, some concrete decisions on reducing arms would be taken.

Discussing economic issues, they decided that the two sides would work for a consensus on GATT tomorrow.

Mr Nakasone also offered to assist India in the building of the Sanjay Gandhi memorial hospital at Lucknow. It was decided that a Japanese experts' mission would go to India soon to work out the details.

At a banquet hosted by the Japanese Prime Minister later, Mr Gandhi again sought to highlight the common base of culture and heritage between the two nations. He said the two Asian nations had "interacted down the lamp-lit corridors of history. Our philosophers and pilgrims have nurtured a similar approach to right and wrong, to the perennial and the perishable."

The Prime Minister said the old relationship between India and Japan had received a new impetus with Japan becoming the first Asian country to assimilate the new scientific knowledge. Its achievements were viewed with pride by India and other nations of the continent.

Mr Nakasone responded by saying that "the people of India, who founded Hinduism, which recognises dieties in everything in nature, and those of Japan, who have been strongly influenced by Buddhism are very much alike in their ways of thinking. For this reason, I believe it is possible for our two peoples to move towards the creation of a new universal ethic."

Mr Nakasone said Japan and India had much in common in their culture since ancient times. Today they embraced the same democratic ideals. "I am convinced that enhancing the cooperative relations between these two leading Asian democracies is of immeasurable importance."

In regard to North-South problems, he said the two countries shared heavy responsibilities. India was the leader of the third world while Japan could understand the frustrations of developing countries. "I believe the two countries must act as a bridge between the North and the South."

Japan, Mr Nakasone said, had an international responsibility to use its economic power, technology and experience to assist developing countries.

Earlier, the Japanese hosts departed from convention to give Mr Gandhi the rare honour of receiving him at the old Akasaka Palace set in verdant surroundings, a venue reserved for heads of state.

A guard of honour was presented by green beretted men drawn from the ground self-defence force which again was departure from the practice.

The Prime Minister flew in here this afternoon after a one-day state visit to Vietnam, for what he described as the beginning of a new phase in Indo-Japanese relations.

Mr Gandhi and Mrs Sonia Gandhi were received on the palace lawns by Mr Yasuhiro Nakasone, and Mrs Nakasone.

The special honour shown in greeting him indicates a Japanese desire to adequately respond to Mr Gandhi's desire to forge new links with Japan.

Technology Agreement, Rajiv Speeches

Calcutta THE STATESMAN in English 30 Nov 85 p 1

[Excerpt] Tokyo, Nov 29--India and Japan today signed an agreement to facilitate the transfer of latest Japanese technology to India in the fields of computers and other industries, report PTI and UNI. It was signed by the External Affairs Minister, Mr B.R.Bhagat, and his Japanese counterpart, Mr Shintaro Abe. A joint committee will be set up to discuss and identify the areas of cooperation in science and technology.

The committee will meet alternately in India and in Japan on dates to be **determined** through diplomatic channels.

The accord, initially for a two-year period, signifies the close rapport Mr Rajiv Gandhi has been able to establish with the Japanese Prime Minister, Mr Yasuhiro Nakasone, during his four-day mission of understanding which began yesterday.

Mr Gandhi said the agreement would help the two countries move to a "new phase of constructive cooperation." He described it as a major step which would "broaden the scope of exchanges between our countries."

Science

The agreement provides that the two Governments shall on the principle of equality and mutual benefit promote cooperation in the fields of science and technology.

The joint committee being set up under the agreement will discuss policy issues relating to its implementation, review progress and propose measures to enhance cooperation.

The agreement will not replace other arrangements for cooperation and will remain in force for two years and continue thereafter until terminated by either Government.

It comes soon after the Japanese announcement extending to India a loan of 30 billion yen for the Assam gas turbine power plant and transmission lines project.

Speaking at a dinner organized by Japanese economic organizations, the Prime Minister spelt out a four-pronged target set by his Government in the next phase of the country's industrial revolution to create a modern economic edifice. The targets are: absorbing and developing new technologies; improving quality; reducing costs; and enhancing competitiveness.

Mr Gandhi said the proposed economic edifice would be self-supporting and face the challenges of technological innovations and mobilize resources for higher levels of investment.

Addressing a joint meeting of the Japan-India Business Cooperation Committee, Mr Gandhi disclosed today that the Government would soon present to Parliament "paper" containing the five-year perspective of its economic policies. It would be "a consolidation of what we have been stating."

The perspective plan would show that "we have not been taking short-term measures but giving definite indications for the future."

Mr Gandhi, who was given a standing ovation at the packed meeting said the Government was keen to ensure that investment was directed primarily towards the production areas of the economy. "We cannot afford extravaganza expenditure yet."

#### Rajiv Addresses Diet

Bombay THE TIMES OF INDIA in English 30 Nov 85 p 1

[Text] Tokyo, November 29 (UNI & PTI)--The Prime Minister, Mr Rajiv Gandhi, today appealed to the developed and developing countries to meet and evolve a new world economic order equitable to all.

Any confrontation between the two sides would be ruinous in the long run. The need of the hour was to abandon preconceived notions and examine realistically how a new consensus could be evolved.

Addressing the Diet, the Japanese parliament, Mr Gandhi said much had changed since the second World War, but the pre-war financial and economic relations had not changed.

Even the minor gains of the sixties and seventies were being eroded. Development assistance had become unfashionable. Financial flows were being curtailed and protectionism was increasing in industrially advanced countries.

In his 30 minute speech, which drew repeated applause, Mr Gandhi spoke on a number of international issues, ranging from apartheid to the threat of a nuclear holocaust.

He said the debt servicing problem had made prospects of growth highly uncertain in many developing countries, most of which were facing extreme hardships. "This is one side of the picture. On the other side is the continuing crisis in the developed world."

Recession had followed shortlived recovery and the problem of unemployment was resisting conventional solutions. There was sense of a loss of direction.

"These are not problems which one country or a group of countries can solve by itself. They were global in their nature and only when all countries discussed them together could they be solved.

## GATT Talks

Mr Gandhi referred to the demand for a new round of GATT talks and said India was not opposed to it. But India wanted the decisions of the earlier rounds to be implemented before another round.

The developed countries could not brush aside the genuine difficulties faced by developing countries due to protectionism.

With goodwill "we can smoothen the path" of negotiations and achieve results which would be fair and equitable to all," he said.

In this interdependent world, poverty could not co-exist with wealth.

Mr Gandhi devoted much of the speech to the centuries old relations between the two countries and asked Japan to work with India "to build a beautiful partnership" not only for mutual benefit but also in the larger interests of mankind.

People all over the world were eager to break the barrier to peace and India and Japan, notwithstanding the different policies they pursued, could join hands in the worldwide campaign for peace.

"We share with Japan the deep conviction that the world must be saved from a nuclear holocaust. We must not forget the tragedy of Hiroshima and Nagasaki. These wounds in the human spirit can heal only with the elimination of all nuclear weapons."

India was in an exciting phase of its journey. "We travel with confidence and with optimism."

He dwelt at length on India's industrial development and said India valued Japan's assistance in its development efforts. He recalled that it was to India that Japan extended its very first yen credit.

Mr Gandhi also spoke of the brazen violation of human rights and reiterated India's and the non-aligned movement's call for an immediate end to apartheid in South Africa and to the enslavement of Namibia.

He stressed that each nation should have the freedom to determine its own path and none should force their system on others.

Mr Gandhi also spoke of the manner in which Japan had built up an extraordinary dynamic economy and achieved technological mastery without eroding its traditional value system.

Mr Gandhi acknowledged Japan's assistance in its economic reconstruction effort. He welcomed the agreement signed today between the two countries on co-operation in science and technology.

He said India's expanding market, the stability of its political institutions, its large entrepreneurial base and its growth-oriented policies provided a favourable setting for fruitful cooperation.

"Let us work together boldly to build a durable partnership," he added.

#### Warm Response

Mr Gandhi began his address by saying that it was an honour to address the diet, one of the world's great parliaments. "I bring greetings from the parliament of India. Through you I convey to the people of Japan the warm and sincere good wishes of the people of India.

The Prime Minister's speech received warm response from the Japanese parliamentarians who gave him a standing ovation at the end of the hour-long address.

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CSO: 4600/1240

INDIA

# RIVER WATERS PROTOCOL SIGNED WITH BANGLADESH

Madras THE HINDU in English 23 Nov 85 p 1

[Text] New Delhi, Nov 22--Talks between India and Bangladesh on the sharing of the waters of the rivers common to the two countries concluded on an optimistic note with the signing of a Memorandum of Understanding here today.

Signed by Mr B. Shankaranad, Union Minister for Water Resources, and Mr Anisul Islam Mahmud, Irrigation, Water Development and Flood Control Minister of Bangladesh, the memorandum declared the intention of the two Governments to identify schemes for augmenting the Ganga flow at Farakka "by the optimal utilisation of the surface water resources of the region available to the two countries."

Review of progress: A study for this purpose would start immediately and be completed within 12 months. After six months, the Ministers concerned would review the progress and the heads of Government of the two countries would make a further review after 12 months.

It expressed the hope that a decision on the schemes for augmenting the flows of the Ganga at Farakka and on a long-term arrangement for sharing the waters of the river would be taken at the summit level.

The study of the water resources would be undertaken by a joint committee of experts among whom would be the secretaries of the departments concerned of the two Governments and two engineer-members of the Joint Rivers Commission.

The joint committee of experts would evolve its own procedure and take such other steps as might be necessary to ensure its completion within the 12 months.

The two sides also drew up a formula for sharing the Ganga water available at Farakka for the next three dry seasons. The last agreement on this subject expired in 1984.



Immediate consultation: In cases of exceptionally low flows in any of the three dry seasons (January to May), the two Governments would hold immediate consultation and decide how to minimise the burden to the other country.

The meeting of the two Ministers had begun on November 18 in pursuance of an understanding between the Prime Minister, Mr Rajiv Gandhi and the Bangladesh President, Lt-Gen H.M. Ershad, during the Commonwealth heads of Government meeting in the Bahamas in October.

A press release said the discussions "were held in an atmosphere of cordiality and friendship."

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CSO: 4600/1228

INDIA

EGYPTIAN SUGGESTS INDO-EGYPT ARMS COOPERATION

Calcutta THE STATESMAN in English 21 Nov 85 p 9

[Text] New Delhi, Nov 20--India and Egypt could set up joint ventures to produce military equipment to meet the needs of not only the two countries, but also other developing nations, according to the Egyptian Deputy Prime Minister, Mr Kamal Ahmed el-Ganzouri.

Mr El-Ganzouri is here to attend the India-Egypt joint commission, which is scheduled to end tomorrow.

It is in the context of the heavy dependence of most of the developing countries on arms supplies from the West or the East, and the possible leverage that it gives to some of the supplier countries, that the Egyptian leader found scope for cooperation between countries like Egypt and India on arms manufacture.

Mr El-Ganzouri said investment of capital need not be a bottleneck-- "your equipment, our experience and a third partner for money can produce results."

Egypt's experience in the past during her wars with Israel, when it broke off with the Soviet Union, had taught the country a bitter lesson, he said.

"Now we are getting our arms supply not from one source, but various countries in the West; the Soviet Union has just started talking of supplying spares," said the Egyptian Deputy Premier.

Mr El-Ganzouri deprecated the tendency among the developing nations to look to the North more than to countries in the South such as India which could be considered developed in several areas.

After the formal signing of the agreement tomorrow, there will be exchange of visits of businessmen to work out the details of the projects for cooperation. Mr El-Ganzouri feels that India could help in housebuilding and supplying building material.

Ties between the two countries are likely to get a further boost when President Hosni Mubarak visits India at a date to be decided soon.

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CSO: 4600/1221

INDIA

NEW DIPLOMATIC EFFORT TOWARD GULF STATES NOTED

Madras THE HINDU in English 7 Nov 85 p 9

[Article by G.K. Reddy]

[Text]

NEW DELHI, Nov. 6.

The special gesture of the Prime Minister, Mr. Rajiv Gandhi, in accepting the personal invitation of Sultan Qabboos of Oman to attend the 15th anniversary celebrations of his accession on November 18 is part of a new diplomatic effort by India to establish closer relations with the oil rich Gulf States.

The Finance Minister, Mr. V. P. Singh, will be visiting Saudi Arabia later ostensibly to attend a Ministerial meeting of the Joint Commission, but actually to establish a better bilateral understanding with this politically important and phenomenally wealthy country which has hitherto been somewhat inhibited in pursuing a policy of equally good relations with both India and Pakistan.

**Primary stress:** The Indian policy now is aimed at laying the primary stress on development of mutually beneficial bilateral relations without letting the Pakistan factor condition the country's attitudes towards them. As Islamic countries, these Gulf States have a religious affinity with Pakistan, but the more enlightened or pragmatic ones among them have not been allowing this emotional consideration to impair their links with India with which they have traditionally cordial relations.

The new Indian attempt to steer clear of this Pakistan factor has already led to some encouraging results, since most Gulf countries including Saudi Arabia have started realising that they are not being compelled in any way to choose between India and Pakistan. It is also enabling some of them, notably the Sultanate of Oman, to seek a parallel readjustment of its relationship with the U.S. and the Soviet Union, to safeguard their regional positions.

**Important guests:** The two most important guests of Sultan Qabboos at the 15th anniversary celebrations of his accession are going to

be the Prime Minister of India and the President of Pakistan. The heads of other Gulf States, who have just met in Muscat, capital of Oman, at the annual summit of the Gulf Cooperation

Council, will be represented by their crown princes.

The shrewd Sultan of Oman who is a close ally of the U.S. which has been permitted to establish air bases on his territory has followed the Kuwaiti example of balancing his special links with the west by opening diplomatic relations with the Soviet Union. It has enabled Moscow to gain a political foothold in this strategically very important country across the Strait of Hormuz that controls access to the Gulf region.

The Soviet Union in turn, has used its influence to end the bitter feud between pro-western Oman and pro-Moscow South Yemen which has been aiding and abetting the revolt in the adjoining Dhofar province of Oman to exert political pressures on the Sultan. This balancing act by Sultan Qabboos has helped to enhance India's credibility in the area as an exponent of Non-Alignment and non-involvement as against Pakistan's increasing identification with the U.S. as one of the so-called frontline States.

**Changing attitudes:** The Petroleum Secretary, Mr. G. V. Ramakrishna, has returned from a highly successful visit to the Gulf area greatly impressed by the changing attitudes there. The high and mighty Saudis are no longer adopting a patronising posture in their dealings with India and even its Oil Minister, Sheikh Yamani, who is used to putting on superior airs in his contacts with leaders of less affluent countries, has lately become quite solicitous towards them.

A plus point in favour of Oman, a country of only 1.5 million people with an oil production of half a million barrels a day, is that it is not a member of the Organisation of Petroleum Ex-

porting Countries which enables the country to pursue its own policies on petroleum prices and production. It has been trying to establish a closer oil relationship with India to supplement the growing political and economic relations. The 225,000 Indians working in Oman constitute the single largest foreign community in this Sultanate.

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CSO: 4600/1212

INDIA

'ARAFAT REMARKS BEFORE DEPARTURE FROM DELHI NOTED

Calcutta THE STATESMAN in English 20 Nov 85 p 1

[Text] New Delhi, Nov 19--The chairman of the Palestine Liberation Organization, Mr Yasser Arafat, said here today that while the Arab nations hoped for an early convening of an international conference on the Palestinian issue, it was essential the Soviet Union and the USA participate for such a meeting to be meaningful.

Mr Arafat, who was talking to reporters shortly before his departure, also said the PLO's participation was necessary in any peace effort in the region.

When asked if he expected any initiative from India, the Palestinian leader said he did not expect any initiative as such. He was thankful for the cooperation and support the Palestinian people were continuing to receive from India at all levels.

He condemned the Israeli attack on the PLO's headquarters in Tunisia and accused the USA of plotting with Israel to assassinate him. He affirmed that his headquarters would continue to be in Tunisia.

Mr Arafat flared up when asked about the effect on the peace process of the recent hijacking of an Italian ship and the subsequent killing of an American. Reiterating that the PLO had nothing to do with it he wondered why such questions continued to be asked when no voice was raised against the killings following the Israeli raid in Tunisia. He even alleged the USA hijacked the Egyptian airliner for fear the Palestinian leader's investigations into the hijacking would "unmask the truth."

Mr Arafat maintained Egypt and Jordan were close supporters of the Palestinian cause and there were no differences with them. He also affirmed that unity within his organization was never as strong as it was now.

When asked if it was time for him to seek military help from the non-aligned countries, Mr Arafat said "our people would continue their struggle." He said there were volunteers from India, Bangladesh, Iran and many other countries engaged in the struggle.

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CSO: 4600/1219

INDIA

IRANIAN INDUSTRY MINISTER ARRIVES IN DELHI

Madras THE HINDU in English 26 Nov 85 p 9

[Text] New Delhi, Nov 25--The visiting Iranian Industry Minister, Mr Ghulam Raza Shafai, today explored at separate meetings with the representatives of the Government and industry, the prospects of expanding bilateral trade in the wake of the memorandum of understanding signed recently, envisaging India importing substantial quantity of Iranian crude and Teheran buying Indian goods to the value of 50 percent of the oil cost.

At his meeting with the Commerce Minister, Mr Arjun Singh, the Iranian minister, was told that India would soon provide Iran with the list of goods it could export. Iran had indicated its requirements, which include iron and steel items, compressors and electrical goods, PVC, caustic soda, cellophane paper, synthetic fibre, rayon yarn, asbestos, aluminium foil and chemicals.

Exports worth Rs 22 crores would be expected to Iran soon. These include jeeps in CKD (completely knocked down) condition, machine tools, spices, tea and hessian cloth. The possibilities of link deals, covering supply by Iran of sulphur to India against Indian exports of equipment, also figured in the talks.

At his meeting with the Association of Indian Engineering Industry (AIEI), Mr Shafai promised the early establishment of a \$200 million (over Rs 240 crores) special fund to act as a buffer for foreign exchange payments, as envisaged by the agreement concluded last March. He promised to remove the factors that had contributed to the delay.

Major areas: Among the major areas identified by him for expansion were petro-chemical plants, non-metal industries, with specific reference to cement, packaging for medicine and food, electronics and textile machinery.

Welcoming Mr Shafai and his delegation, Mr Ranjit Puri, Chairman, AIEI (northern region), said the organisation had established strong links with Iran over the past few years. It had opened an office in Iran in June 1982 and sent a high-level industrial mission to Iran. AIEI had been fairly

successful in transferring technology and arranging training programmes, particularly in the fields of textile machinery, small scale industries, industrial equipment, machine tools, boilers, power plant equipment and transmission lines. It was capable of entering further areas for cooperation.

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CSO: 4600/1231

INDIA

#### ACCOMPLISHMENTS OF RAJIV VISIT TO HANOI REPORTED

Bombay THE TIMES OF INDIA in English 28 Nov 85 p 1

[Article by Kirit Bhaumik]

[Text] Hanoi, November 27--The unique relationship between India and Vietnam was highlighted by the Vietnamese head of state, Mr Truong Chinh, while posthumously conferring on Mrs Indira Gandhi, the Order of the Golden Star here this morning.

The Prime Minister, Mr Rajiv Gandhi, who arrived on a state visit this morning, received the award, Vietnam's highest national honour, at the Presidency Palace.

As part of an economic package agreement concluded here, India has undertaken the responsibility for oil exploration in offshore Vietnam. The exploration work will be done by the Oil and Natural Gas Commission in co-operation with Petroleum Vietnam.

At the second meeting of the India-Vietnam joint commission which was in session for three days prior to the arrival of Mr Gandhi, it was decided that ONGC would be given three blocks in the offshore areas for exploration.

The package also includes Indian credit for promoting industrial development in Vietnam and rescheduling of earlier credits. One of the major items of the agreement is assistance for modernisation of Vietnam's textile industry.

#### Wheat Supply

India's assistance will be in the shape of direct credits as well as through supply of an additional quantity of wheat. It is understood that the new credits and the rescheduling of old credits will together amount to Rs 20 crores. The additional quantity of wheat to be supplied is 100,000 tonnes.

Earlier, at the formal talks between the Prime Minister and Mr Pham Van Dong, both sides emphasised that the agreement should be implemented in right earnest.

India will also extend facilities of technical training in small and medium-scale industries. Further, in order to enable Vietnam to repay the credits, it was decided that India will be importing from Vietnam oilseeds, palm oil, rubber and tin.

Speeches made by the Prime Minister and the Vietnamese leader at public functions left one with no doubt that both New Delhi and Hanoi consider themselves as the closest allies among the Asian nations.

The honour bestowed on Mrs Gandhi is obviously meant to highlight the fact that it was the late Prime Minister who established these close bonds--the starting point, perhaps, being the recognition by India of the People's Republic of Kampuchea. Mrs Indira Gandhi is the only leader outside the "socialist" bloc to have been given this honour.

To underscore the new relationship that has developed between India and Vietnam, Mr Rajiv Gandhi said at a public reception: "We are glad to share our experience with others. We share a love of freedom. We share a determination never to bend our knee before insolent might. We share a resolve to build our countries out of our own toil. We are together for world peace and co-operation."

Mr Gandhi added that south-east Asia has been an arena of mounting conflicts. Various proposals had been put forward to initiate a dialogue and they should lead to a comprehensive solution, he said.

At the formal talks, the Indian delegation appreciated Vietnam's unilateral declaration that its forces would be withdrawn from Kampuchea in 1990.

The foreign minister, Mr Nguyen Co Thach, told Indian newsmen later that Vietnamese forces were in Kampuchea to help Kampuchians defend themselves.

Both the Prime Ministers and the Vietnamese leaders welcomed the talks between the U.S. president, Mr Ronald Reagan and the Soviet leader, Mr Gorbachov. Mr Gandhi said: "We welcome their categorical declaration that nuclear war cannot be won and must never be fought. We hope that the negotiations to be resumed will yield concrete measures of nuclear disarmament."

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CSO: 4600/1242



INDIA

## PAPER REPORTS INCREASE IN INDO-CZECHOSLOVAK TRADE

### Czech Pavilion at Fair

New Delhi PATRIOT in English 16 Nov 85 p 3

[Text] India is the biggest trade partner of Czechoslovakia, with business turnover having stepped up by about 70 percent between the two countries in the last year.

Czechoslovak pavilion at the India International Trade Fair displays a wide variety of industrial items including machine tools, a textile machine, ball bearing and motor-cycles made with Czech knowhow. According to Czechoslovak economic and commercial counsellor Vladimir Kirsbaum, 350 cc Yezdi motorcycles will be produced in India shortly, along with the usual 250 cc bikes.

Amongst the newer items to be imported from India, Mr Kirsbaum said, are iron ore pellets and two lakh tonnes of iron ore concentrate worth Rs 80 million.

The main items of Czechoslovak exports are machine tools, textile machines, steel, fertilisers, plastics, ball bearings, diesel aggregates and printing machines.

Indian exports to Czechoslovakia include cotton yarn, iron ore and concentrate oil cake, textile products, handmade products, hydraulic dampers, and handloom goods.

The two-way trade reached a record Rs 200 crore during the last year, a 30 percent increase as compared to the previous year.

The contractual base for mutual commercial and economic relations is stipulated by the Trade and Payments Agreement of 1984. The protocol on the trade exchange, signed annually, is to be negotiated later this month.

The West Bengal pavilion displays goods and services of 23 units from the public and the private sectors. Starting with traditional items like handloom and handicraft goods, textiles, tea, khadi and village industry products, the exhibits show the progress the State had made in electronic goods, industrial products, leather and automobiles.

29 January 1986

Addressing newsmen at the pavilion, West Bengal Minister for Commerce and Industries Nirmal Bose said the Central Government had agreed to hold a trade fair in Calcutta. A permanent fair site had been identified at Salt Lake City, he said.

#### Trade Agreement Signed

New Delhi PATRIOT in English 27 Nov 85 p 5

[Text] India and Czechoslovakia on Tuesday signed a trade protocol that provides for a Rs 467 crore turnover during 1986. The protocol envisages Indian exports worth Rs 234 crore and Czechoslovak exports at Rs 233 crore.

The Indian exports in 1986 to Czechoslovakia are expected to consist mainly of agricultural products, textiles, engineering goods, minerals and ores, leather and leather goods, chemicals and allied products. The stress would be more on manufactured and non-traditional products, but a substantially increased provision has also been made for traditional products like ground-nut extractions, cotton-seed extractions and raw cotton.

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CSO: 4600/1233

INDIA

INDIA, FRG SIGN PROTOCOL ON COAL MINING

New Delhi PATRIOT in English 30 Nov 85 p 2

[Text]

**Ranchi, Nov 29**—A comprehensive Indo-West German protocol involving an outlay of Rs 500 crore was signed here recently for collaboration in coalmining projects in India. The amount includes Rs 200 crore in foreign exchange. Whereas the Indian side was represented by the Coal India chairman G L Tandon, Mr A Jochums, Chairman of German Coal Coordination Centre signed the protocol on behalf of his country.

According to Central Mine Planning and Design Institute Limited Sources collaboration would involve scientific and modern method of extracting coal through pen pit coal mining on bigger scale compared to the highly expensive deep coal mining method practised hitherto. The collaboration would also lead to improvement in the quality of coal to be used by such consumers as steel plants, the sources said.

According to the sources, the package of collaboration projects included induction of fast ploughing technology and extraction of thick coal seam under hard roof strata by the caving method

which would eliminate filling or packing or sand stowing of extracted areas which usually proved to be difficult proposition in view of the scarcity of sand in coal field areas. The collaboration also envisages beneficiation of non-coking coal for use by power houses by adopting the technology developed by the Germans.

The sources also disclosed that protocol also included an exchange programme for training of Indian engineers in Germany and deputation of German experts in India in long wall making and coal beneficiation projects. It also outlined projects for application of three dimensional high resolution seismic surveys in seam exploration for early application in Indian Coal mines and mining areas.

The signing of the protocol was preceded by a two-day Indo-German seminar on open pit mining jointly organised by the Central Mine Planning and Design Institute Limited, a subsidiary of Coal India Limited and the German Coal Coordination Centre on 21 and 22 November which was attended by 200 Indian and 35 German experts.

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CSO: 4600/1241

INDIA

## NONALIGNED YOUTH CONFERENCE MEETS IN NEW DELHI

### Inaugural Meeting Reported

Bombay THE TIMES OF INDIA in English 20 Nov 85 p 1

[Text] New Delhi, Nov 19 (PTI)--The three-day Non-Aligned Youth Conference opened here today with a call to superpowers to abandon arms race, help in dismantling apartheid in South Africa and join hands in promoting peace and stability in the world to ensure better future for mankind.

Inaugurating the conference, dedicated to the memory of Mrs Indira Gandhi, the Prime Minister, Mr Rajiv Gandhi called for imposing comprehensive sanctions against the apartheid regime of South Africa and lashed out at the hypocrisy of certain powers which talked of freedom and human dignity but were "blind" to what was happening in Pretoria.

Sharing the platform with the Prime Minister were Mrs Zenani Dlimini, daughter of the veteran freedom fighter Nelson Mandela and chief of the Palestinian Liberation Organisation (PLO) Mr Yasser Arafat, who appealed to freedom-loving people to exert their maximum against racism, colonialism and exploitation in any form.

Mr Rajiv Gandhi hoped that US-Soviet summit level talks would give the world a message of peace by endorsing disarmament which was the prime need of the hour.

Referring to the non-aligned movement, the Prime Minister said it was the greatest peace movement effort. Today, two-thirds of humanity supported this movement as there were 104 nations who stood for peace, freedom, democracy and for ending of subjugation in certain parts of the world, he said.

Mr Gandhi said that the non-aligned movement had developed over the years into a major force comprising group of countries who cherished similar ideas and thoughts and had developed certain postulates and values.

"There is attempt to confuse liberation movements with terrorism to thwart freedom struggles," the Prime Minister said. "We condemn terrorism in any form and abhor such acts."

The Prime Minister, referring to the situation in South Africa said India had always been for imposition of comprehensive mandatory sanctions against the Pretorian regime.

It was unfortunate that those very nations who talk of freedom and human dignity were blind when they looked towards Pretoria, he added. "It is this hypocrisy that we have to counter," Mr Gandhi said.

Speaking of dangers of unilateral actions, Mr Gandhi said "we have an international system under the aegis of the United Nations and I would be the last person to say that it had no power."

Paying his tribute to the late Prime Minister, Mrs Indira Gandhi, Mr Gandhi said that she fought not just for India's independence and unity but raised her voice for every oppressed and suppressed of the world.

Mr Gandhi said that during the stewardship of Mrs Gandhi the non-aligned movement had gathered new strength and momentum.

The non-aligned movement, he said, was not limited to political arena. It was the movement for rights of those still under subjugation and against neo-colonialism and neo-imperialism.

#### 'Star Wars'

In an apparent reference to "Star Wars," the Prime Minister said it had added a new dimension in armament. He said India looked towards the youth of the world to raise their voice for democracy, human rights and lasting global peace.

Mr Anand Sharma, IYC president, pleaded for declaring the Indian ocean as a zone of peace and dismantling of apartheid in South Africa.

He also criticised the colossal wastage of human resources on military spendings and suggested that huge amounts spent on armament be diverted for providing better quality of life to the people.

Mrs Zenani Dlimini spoke of atrocities of the racist regime in South Africa and appealed to the "freedom-loving" people of the world to exert their influence for the ouster of the apartheid regime.

Mr Yasser Arafat expressed his solidarity with the people of South Africa and Namibia and denounced the ceaseless aggression by imperialists against the people of Palestine who were fighting for their legitimate rights.

About 300 delegates from abroad, including MPs and ministers, are taking part in the conference.

Meanwhile, the vice-president, Mr R. Venkataraman, today called upon the youth of the non-aligned countries to work with unremitting zeal to usher in new economic order, devoid of exploitation of any form of the poor nations.

29 January 1986

The vice-president who was declaring open a photo exhibition on the non-aligned movement here, said 20 percent economically rich were ruling the roost at the cost of 80 percent poor people. The youth should address themselves to this problem as there could not be peace in the world when overwhelming majority was reeling in abject poverty.

#### More Details on Inaugural

Madras THE HINDU in English 20 Nov 85 p 9

[Text] New Delhi, Nov 19--The Prime Minister, Mr Rajiv Gandhi, today expressed the hope that the Geneva summit would concentrate on efforts for disarmament. The world would be disappointed if the Soviet and American leaders failed to agree on disarmament, he said adding: "The message of Geneva must be a message of peace, peaceful coexistence and better understanding." He wished success to President Reagan and Mr Mikhail Gorbachev.

Choosing the Geneva summit as one of the themes of his inaugural address to the three-day non-aligned youth conference, Mr Gandhi cautioned that humanity was in graver danger than ever before and disarmament was one of the major causes to be supported. That, according to him, was also the belief of the non-aligned movement.

Mr Yasser Arafat, Chairman of the Palestine Liberation Organisation (PLO), who attended the inaugural function, pleaded for all-round support to the liberation struggles in different parts of the world against common enemies such as Zionism, imperialism and racism.

Mr Gandhi drew attention to another danger facing the world today--of unilateral action which could lead to international anarchy. There could be flaws in international forums like the U.N. but there was need to strengthen them and thwart unilateral action.

Hypocrisy: Dealing with other aspects of the present-day situation, Mr Gandhi referred to the "hypocrisy" involved in the talk of freedom by the nations that opposed liberation struggles. He wanted this trend to be fought. At the same time, he would not like terrorism to be confused with liberation movements. The norms of balance of power and spheres of influence, he said, could only increase armament and not lead to peace.

Apartheid, biggest shame: In some corners of the world, people were not yet regarded as human beings, he said, describing apartheid as the biggest shame. He also referred to the valiant fight by the PLO. India would continue to support these struggles, apart from working for mandatory sanctions against South Africa. The non-aligned movement, which now covered two-thirds of the world, stood not only for the rights of the subjugated people but also for the economic rights of all the developing countries. He regarded it as the only movement in the world that championed free democratic expression in the international sphere. It had gathered new strength and momentum under Mrs Gandhi, he said.

Arafat castigates U.S.: In a hard-hitting speech, Mr Arafat said that by involving the American people in the Arab-Israel conflict, Mr Reagan was repeating the mistake made by Lyndon Johnson in Vietnam. He wanted Mr Reagan to realise that he would be the loser in this war. The world, he said, faced a serious escalation of war due to the "aggressive policies and premeditated, organised criminal attempts to the U.S. and Israel."

Protest note: The youth meet has evoked sharp protests from a number of youth and student organisations here. A note issued by a number of organisations, including the DYFI, AIYF, Yuva Lok Dal and SFI, welcomed the delegates but said the Indian Youth Congress (I) headed by Mr Anand Sharma had excluded them from the meet. They noted that all youth organisations usually participated jointly in meets outside the country. In the 12th world youth festival held in Moscow earlier this year, they had formed themselves into a national preparatory committee, despite differing ideological stances.

These organisations urged the conference to adopt strong resolutions in support of the national liberation struggles in South Africa and Namibia (South West Africa) and in opposition to the abhorrent doctrine of apartheid.

Mrs Zenani Dlamini, daughter of the imprisoned South African black leader Mr Nelson Mandela, who is attending the youth meet, spoke of the farsightedness of Indira Gandhi in calling for mandatory sanctions against the Botha regime on moral considerations. South Africa was today in deep economic and political crisis brought about by an "archaic, racist regime" but the process of killing the obnoxious apartheid had been set in motion" and the people would not be cowed down despite western support to the Pretoria regime.

Mr Arafat, Mrs Dlamini and the Algerian delegate Mr Nooruddin Jalili, paid tributes to Indira Gandhi, who had been the unwavering champion of liberation movements all over the world and given her life in fighting for her ideals. They commended the decision to dedicate the conference to her memory.

Earlier, welcoming the delegates, Mr Anand Sharma spoke of the "insecurity and turbulence" in a world where peace eluded mankind due to the nuclear holocaust and the vestiges of colonialism which threatened to "efface human history." It was unfortunate that "while bread is scarce, guns are abundant" and the new international economic order was still a "mirage."

#### Meeting Ends, Resolutions Adopted

New Delhi PATRIOT in English 22 Nov 85 p 3

[Text] The Non-aligned Youth Conference, which concluded in the Capital on Thursday, called for a more balanced global economic situation and expressed the need for greater mutual understanding and coordination between the youth organisations of the non-aligned countries and the other countries to affirm solidarity with those fighting imperialism.

The call was given in the economic chapter of the declaration adopted by the conference. While the economic draft was adopted late in the afternoon, the political resolution was adopted by late evening though no formal announcement of the declaration was made by the organisers, as the conference closed.

The economic resolution, whose salient points were given to the press at the official briefing, notes that greater interaction between the youth of the NAM and other countries is a must for the struggle against imperialism and exploitation in the economic field and for the purpose of freedom and socio-economic transformation.

Mr R. Kumaramangalam, an Indian delegate who addressed newsmen, said that the economic draft resolution was carried unanimously and the amendments were for use of stronger "terminology of the young."

The committee on the economic draft resolution considered the current global economic crisis in all its aspects. According to sources, there was some lobbying on the terminology of the resolution by delegates of countries with leaning to each power bloc in the world with the delegates of one country opposing the stand of another.

But the lobbying on the political resolution of the declaration was reported to be more intense both on the language of the resolution as well as on the issue of continuity of the youth conference and the setting up of a permanent bureau.

According to spokesman Suresh Pachauri, who addressed the press meet, the Indian delegation did not put forward any resolution on the subject of continuity of the conference.

The press conference was also addressed by Mr Utony Nujomo, son of SWAPO leader Sam Nujomo, and Mr Alfred Barnechea of Peru, who was the Rapporteur-General of the conference.

According to Mr Barnechea, in the political aspect, the conference has focused on disarmament both of nuclear and conventional weapons and supported the UN and other such fora for the settlement of issues.

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CSO: 4600/1224



INDIA

# ANALYST DISCUSSES RAJIV STYLE IN APPOINTMENTS

Madras THE HINDU in English 16 Nov 85 p 1

[Article by G.K. Reddy]

[Text] New Delhi, Nov 15--Mr Arjun Singh, who yesterday submitted his resignation as Punjab Governor, was today sworn in as the Commerce Minister in the Central Government.

The Minister of State, Mr Khurshed Alam Khan, who was given independent charge of the Commerce portfolio during the recent Cabinet reshuffle, has been assigned Textile in a similar capacity after detaching it from the Commerce Ministry.

The strength of the Cabinet has now gone up to 17, including the Prime Minister, with Mr Arjun Singh's appointment. The Union Council of Ministers now consists of 52--seventeen Cabinet rank Ministers, 32 Ministers of State and three Deputy Ministers--which is well within the prescribed limit.

More after Assam poll: But the Prime Minister, Mr Rajiv Gandhi, gave a hint today that he might add a few more after the Assam elections to give due representation to a State like Punjab which is totally unrepresented at present.

Mr Rajiv Gandhi also hinted in the course of a chat with pressmen at Rashtrapati Bhavan when Mr Arjun Singh was sworn in this morning, that the decision to have a new Lt Governor in Delhi was the result of a thorough review made a couple of months ago about the functioning of the Delhi administration. But the outgoing Lt Governor, Mr M.M.K. Wali, who had been replaced, is evidently being considered for some other assignment.

The decision to include Mr Arjun Singh in the Central Cabinet was widely acclaimed in Congress (I) circles here, although a section of opinion within the ruling party felt that he should have been allowed to continue as Governor of Punjab for another three months at least till the implementation of the Rajiv-Longowal accord that led to restoration of popular Government there.

A former Chief Minister of Madhya Pradesh who ran this vast heterogeneous State with a firm hand for a full five-year tenure, he proved to be equally successful in handling the Punjab situation. Now he has been brought to the Centre and given an important economic portfolio which will require an entirely different approach on his part.

Needless secrecy: There is no doubt, considerable admiration for Mr Rajiv Ganchi for the promptness with which he has been taking decisions in regard to both important administrative matters and senior appointments. But there is also an uneasy feeling here over the needless secrecy surrounding such decisions.

For instance, none of the Governors involved in the latest changes had been told about their new appointments and transfers until the previous night. Nor had the Chief Ministers of the States concerned been informed in advance, let alone consulted, about these appointments.

The Prime Minister has certainly taken some bold and welcome steps to revamp the administrative machinery by weeding out many inefficient officials and putting more promising ones in key positions. But he has not yet been able to evolve a proper equation with the bureaucracy for getting work out of it.

It is this aspect of the new style of leadership at the Centre that has been coming in for some carping criticism. But the general public is inclined to take the view that his bold and innovative moves, no matter how they might affect a few individuals, have created an atmosphere of a change for the better besides arousing high expectations.

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CSO: 4600/1213

INDIA

PAPERS REPORT RAJIV INTERVIEW WITH DUBAYY NEWSPAPER

Andaman Island Plans

Bombay THE TIMES OF INDIA in English 18 Nov 85 p 1

[Text] New Delhi, Nov 17 (PTI)--India proposes to open up one of the Andaman and Nicobar group of islands to Indian and non-resident investment, the Prime Minister, Mr Rajiv Gandhi, said.

"I envisage opening up one island to Indian and non-resident investment with many facilities vis-a-vis taxes, trade and other conveniences," the Prime Minister said in an interview to "The Khaleej Times" of Dubai.

Non-resident Indians, including those settled in Dubai, have been pressing upon the government to make such a move. Mr Gandhi said there were some constitutional and other problems. "But we are trying to sort them out and I am optimistic that we will be able to manage to do something," he said.

Mr Gandhi said he did not believe there was need for any special resettlement schemes for Indians returning home. "Firstly, we don't have so many coming back. Secondly, those who do return are financially strong and do not need our help to resettle," he said.

"We have given a lot of openings under the new industrial policy and the new tax policies and they should have plenty of room for investment," the Prime Minister said. As regards specific areas of investment, he said: "We need a lot. We have got a very wide base but the market is so vast that a lot more than come in."

"But on the side of higher technology we are really looking towards agriculture based technologies, whether they are bio-genetics, or irrigation, power, fertilisers--which is an area where we have been co-operating with west Asian countries--and the related areas which in India are really support areas, such as high technology in defence and electronics," he said.

He said there had been little progress with the special incentive scheme for investment from oil exporting developing countries. He hoped the new commerce minister, Mr Arjun Singh, would be able to investigate the problems.

"It is something which requires looking into because it is a good scheme and we should try and see why it hasn't worked," he said.

During the interview, recorded on the eve of his departure for Muscat to participate in the celebrations marking the 15th anniversary of the accession of King Qaboos, Mr Gandhi replied to an array of questions on India-Oman relations, India's trade performance in the Gulf, the Iran-Iraq war, the Palestinian issue and non-resident Indian investment in India.

Answering a question on the Palestinian issue, Mr Gandhi said India's support for Palestinian rights was well known. He felt the key to progress could lie with the proposed international conference.

The Prime Minister is not optimistic about an early breakthrough in efforts to end the five-year-old Iran-Iraq war.

This evening, Mr Rajiv Gandhi was given a warm sendoff when he left here this evening for Muscat.

Mr Gandhi was accompanied by a high-level delegation including the minister of state for power, Mr Arif Mohammad Khan, the foreign secretary, Mr Romesh Bhandari, the external affairs secretary, Mr N.P. Jain, additional secretary to the prime minister, Mr C.R. Ghare Khan, and joint secretary Mr Mani Shankar Aiyer.

The President, Mr Zail Singh, greeted Sultan Qaboos Bin Said on the occasion of the Omani national day.

#### More Details Given

Calcutta THE TELEGRAPH in English 18 Nov 85 p 4

[Text] New Delhi, Nov 17 (PTI, UNI)--The Prime Minister, Mr Rajiv Gandhi, feels that existing tensions between India and Pakistan must be reduced. In an interview to Khaleej Times of Dubai, Mr Gandhi said it was ridiculous to find the two countries not getting on well.

"The people are the same. The border has really been drawn up by the British. There is no real dividing line there and there is no reason why we cannot get along better," Mr Gandhi told Mr Geoffrey Malone, the newspaper's South Asia correspondent.

During the interview, recorded on the eve of his departure for Muscat to participate in the celebrations marking the 15th anniversary of the accession of Oman's Sultan Qaboos, Mr Gandhi replied to an array of questions on India-Oman relations, India's trade performance in the Gulf, Iran-Iraq war, the Palestinian issue and non-resident Indian investment in India.

Mr Gandhi was asked whether his talks in Muscat with the Pakistan President, Gen Zia-ul-Haq would be influenced by the example of Indians and Pakistanis who managed to work and live together in the Gulf without any of the tensions existing between their two countries.

"We have never had any tension between Indians and Pakistanis. When I was in college, we had lots of Pakistani friends and just recently we went back to my old school (Doon School) and had a large contingent of ex-schoolboys from Pakistan. There is absolutely no problem," the Prime Minister said.

There were certainly some problems between the governments of the two countries on certain issues which they were trying to sort out, Mr Gandhi said. "We have made headway on some and less on others. But this is a continuing exercise."

Some of the items on which the two countries get bogged down attract greater media interest and get projected more, he said. "Every time the media gets so involved in such issues, it does make it much harder for us to bring them down to rational level again," he added.

#### Iran-Iraq war

Mr Gandhi ruled out any more Indian initiatives in the near future in resolving the protracted Iran-Iraq conflicts as, he said nobody had really made any headway in this regard.

He said the position taken by the two warring nonaligned countries was "very hard" and he did not see "anything major coming" which would help in reducing tension in the Gulf. Mr Gandhi indicated that he would discuss the Gulf war with other leaders during his stay in Muscat, but said he saw no cause for optimism. "I have not had any indication that there could be an opening (to resolve the Iran-Iraq war)," he said.

#### Support to PLO

Mr Gandhi said India's support to the Palestinian cause was well-known, but the key to this really lay in convincing the Israelis. "The problem is that nothing seems to be moving at present," he observed.

He felt something could come out of the US-Soviet Geneva summit though he had no particular hope.

#### India's ties with W. Asia

Dwelling on India's relations with West Asia, the Prime Minister said it was very old, dating back to the Indus Valley civilisation. Mr Gandhi said: "We have a lot in common between our societies."

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CSO: 4600/1218

INDIA

## RAJIV SPEECH TO ASTRONOMICAL UNION REPORTED

Madras THE HINDU in English 20 Nov 85 p 1

[Text]

NEW DELHI, Nov. 19.

The Prime Minister, Mr. Rajiv Gandhi, today said political barriers would not prevent India having ties at the scientific level.

Inaugurating the 19th general assembly of the International Astronomical Union (IAU), Mr. Gandhi said, the world's biggest problem today "is political barriers but there are many areas, one of them science, that cut across nations irrespective of what the barriers are." Science preached brotherhood and oneness.

Talking about Indian science in the present days, the Prime Minister said "If India is to progress, scientific temper must be built into our culture" and it should not be confined to a few pockets at the higher level.

Pointing out that the pyramid of science must be built on a local base from bottom up, he said "This is the direction we would like to take."

**Science for human development:** Since the days of Jawaharlal Nehru India had been committed to using science and technology for the development of the human being.

Scientists must strike a balance between the 20th century science and technology, on the one hand, and values, spirituality and inter strength "inherited from our ancient civilisation" on the other. India succeeded in areas where the latest technology was applied. "But no success was achieved in those areas where we failed to apply the latest technology."

Mr. Gandhi, paying rich tributes to the late astronomer, Dr. M. K. Valnu Bappu, former IAU president, said India had a long tradition of astronomy. Some of the early masonry observatories such as the Jantar Mantar here "are still serving a useful purpose." Indian astronomers had been in touch with their counterparts abroad for a long time and this "helped in the development of our sciences."

The Prime Minister also released a com-

memorative stamp depicting the Halley's comet. The IAU president, Mr. Hanbury Brown, underlined the importance of international cooperation, particularly in astronomy.

A total of 1400 astronomers from all over the country including 300 from India are taking part in the 10-day conference, being held for the first time in the country. There will be 42 commission meetings to discuss specific topics on the sun, the planets, comets and related disciplines. In addition, there will be 250 individual meetings. Besides a session on the Halley's comet, the conference will discuss radio astronomy and cosmology, solar and stellar non-radial oscillations, supernovae and evolution in young populations in galaxies.

**'Scientific temper must be inculcated:** Inaugurating the 78th general conference of the Federation Aeronatique Internationale (FAI) here, Mr. Gandhi underlined the need for inculcating a "scientific temper" among the people of India and other developing countries so that they could accept and absorb the latest technology. "We must bring in new technology to help ourselves in removing poverty."

Mr. Gandhi said the best available technology would be inducted to develop the indigenous aviation industry and all efforts made to bring the majority of rural areas on the air map.

Civil flying training procedures were being further upgraded to make the Indian pilots more efficient than in the most advanced countries.

In all future plans, the stress would be on making air travel within the reach of the common man, including people in the rural areas.

Seventyfour countries are participating in the five-day conference being hosted by the Aero Club of India for the second time. The first time India hosted such a conference was in 1970.

The federation president, Dr. Cenek Kepak, presented the Prime Minister with a cut-glass vase with the FAI insignia inscribed on it.—PTI

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CSO: 4600/1220

INDIA

DEFENSE MINISTER ANSWERS QUESTIONS IN RAJYA SABHA

Madras THE HINDU in English 29 Nov 85 p 6

[Text] New Delhi, Nov 28--The Government has initiated necessary action to acquire AWACS (airborne warning and control system) capability indigenously, the Minister of State for Defence, Mr Arun Singh, informed the Rajya Sabha today.

It would not be appropriate to discuss further details because of security reasons, he said in a written answer.

U.S. arms for Pak: The U.S. Government recently approved the sale of 110 armoured personnel carriers and 88 self-propelled howitzers valued at \$103 millions to Pakistan, Mr Arun Singh told the House.

"The induction of such sophisticated weapons in our neighbourhood is a matter of concern as it would lead to an unfortunate arms race in the sub-continent imposing a severe strain on our scarce resources."

Mr Arun Singh further said: "Our concern in this regard has been conveyed to the U.S. Government on a number of occasions."

Replying to another question, Mr Arun Singh said there was no evidence to suggest any unusual movement or concentration of Pakistani forces or unusual winter stocking along the line of control in Jammu and Kashmir.

The Government was keeping a watch on all these developments and taking appropriate measures to ensure full defence preparedness.

Unprovoked firing: To another question he replied that there had been some cases of exchange of fire between Indian and Pakistani troops along the line of control in Jammu and Kashmir resulting in some casualties on both sides.

Mr Arun Singh said there have been some cases of unprovoked firing by Pakistani troops in the Poonch sector during the last two months. However, there had been no firing incident in the Rajouri sector in this period.

He told Mr Syed Ahmad Hashmi that there had also been some cases of violation of Indian airspace by Pakistani aircraft during the same period.

The Minister told Mr K.K. Birla and others that Pakistani troops had been firing on Indian troops in the Siachen area. Apart from the firing incidents there had been no ground or air encounter between the two sides in the area in September.

Substitute for Vikrant: No negotiations were being conducted with the U.K. for the purchase of Seaking helicopters or of HMS Hermes although an offer for the latter had been received, the Minister told Mrs Maimoona Sultan.

He said INS Vikrant was due for replacement in the 1900's and various alternatives for its replacement were being examined by the Indian Navy.

Westland copters: There was no decision either to go in for Westland helicopters although a proposal relating to their induction for civilian use was under the consideration of the Civil Aviation Department, the Minister told Mr Suresh Pachouri.

He said an earlier offer of Westland Helicopters was not accepted because the helicopters did not meet our specific requirements and their cost of operation was not competitive.

Their revised offer both in technical and financial terms was now under consideration.

He said a contract had been signed on November 25 with British Aerospace, U.K., for the supply of 11 Sea Harrier aircraft together with supporting equipment and spares. A contract had also been signed with M/s Rolls Royce, U.K. for some spare engines. The value of the supplies was about £150 millions.

Probe into irregularities: Mr Arun Singh said a staff court of inquiry had been ordered into irregularities in the award of contracts in the Military Engineering Services (MES), Dehradun.

Further action against the officers concerned would be taken after the finding of the staff court of inquiry became available, Mr Singh told Mr Virendra Verma.

He said a preliminary investigation by the board of officers had revealed certain irregularities in the matter of finalising tenders for certain items including fan purchase.--UNI & PTI

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INDIA

PARLIAMENT URGES HALT TO BIG POWER ARMS TESTS

Bombay THE TIMES OF INDIA in English 19 Nov 85 p 1

[Excerpt]

NEW DELHI, November 18: Both houses of parliament today unanimously approved with acclamation a resolution from the chair appealing to the U.S. and the USSR to agree for a moratorium on testing and development of nuclear weapons.

It said: "more than 50,000 nuclear warheads, capable of obliterating mankind from the face of the earth several times over, abound in the stocks of the arsenals of the nuclear weapon states. The development of the new defensive weapon systems is bound to lead to a further escalation of the nuclear arms race and enhance the danger of the outbreak of a nuclear war."

The speaker in the Lok Sabha and the chairman in the Rajya Sabha read out an identical resolution on the Geneva summit, expressing concern on the escalation of the arms race and appealed to big powers to bring about a situation in which nuclear arsenals would be redundant.

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CSO: 4600/1216

INDIA

INDIA REPORTED TOP THIRD WORLD ARMS MANUFACTURER

Bombay THE TIMES OF INDIA in English 28 Nov 85 p 9

[Text] London November 27 (UNI)--India has achieved a high level of sophistication in arms manufacture and is one of only four third world countries which produce all four categories of major weaponry systems--warplanes, ships, armoured vehicles and missiles--says "South," published from London. The others are China, Brazil and Argentina.

The monthly points out that SIPRI, the Stockholm research group, places India in the top rank of third-world arms makers in terms of volume and sophistication and second only to Brazil in arms production potential.

India is emerging as a significant arms exporter, the report says. The magazine says in its review that India produces a fair percentage of its own major weapons systems, and is near self-sufficiency in the manufacture of anti-tank guns, small arms and a wide range of ammunition.

The review points out that India's defence research and development organisation and its 36 ordnance factories collaborated in the production of 36 mm and 86.2 mm naval ammunition, 122 mm ground rockets and 81 mm illuminating rockets.

Other India-designed weapons included light-weight field-guns for mountain use, non-detectable anti-tank mines and state-of-the-art armour-piercing anti-tank shells.

The latest joint effort between research and manufacturing organisations had yielded futuristic new armour called "choban" for the main battle tank Arjuna, and technology which effectively reduced the weight of aluminium tank tracks by 2.5 times.

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CSO: 4600/1232

INDIA

FINANCE MINISTER MEETS WITH PANEL, BUDGETING DISCUSSED

Madras THE HINDU in English 21 Nov 85 p 1

[Text] New Delhi, Nov 20--The Central Government has decided to go in for zero-based budgeting from 1987-88 and preparatory exercise for this will be undertaken in 1986-87.

This was announced by the Union Finance Minister, Mr V.P. Singh, at a meeting of the Consultative Committee of members of Parliament attached to his Ministry here today.

(Under zero-based budgeting, the budget makers start from "ground zero" each year, and requests from various agencies for funds are considered on the basis of cost-benefit or some similar kind of evaluation.)

It was informed that to some extent the concept of zero-based budgeting would be reflected in the 1986-87 budget itself because a committee headed by the Cabinet Secretary was currently going into the working of all ministries with a view to pruning those activities that had outlived their utility. But a thorough survey of activities would be undertaken and modalities finalised in consultation with experts next year for the switch-over to zero-based budgeting.

Expenditure control: The main topic of discussion was control of expenditure and the committee was apprised of the reforms undertaken recently in the Finance Ministry to streamline procedures for control of expenditures. The Finance Minister underlined the importance of expenditure control in the context of resource constraints for the implementation of the Seventh Plan. He said restraint in deficit financing and need to have non-inflationary growth were two important factors required for Plan implementation.

The Plan document had projected a negative balance from current revenue to the tune of Rs 12,000 crores and to that extent there would have to be dependence on borrowings and non-tax revenues. But there could not be too much of borrowings as that would increase the interest burden. To contain the deficit financing to the level projected in the Plan document, it was necessary to have a hard look at the important components of non-plan expenditure.

Revenue collections exceed: So far as resource generation was concerned, the Finance Minister was optimistic that the Plan target would be achieved. In the current year, he said, the budget estimate of revenue collection would be exceeded. The revenue collections during the first seven months (April to October) this year totalled Rs 14,103 crores, which represented an increase of 22.5 percent over the level achieved in the corresponding period of 1984-85. The customs revenue had risen by 33 percent to Rs 4,972.5 crores, excise duty by 15.2 percent to Rs 7,030.7 crores and direct taxes by 25.4 percent to Rs 2,100.35 crores.

In the case of customs revenue, 60.89 percent of the budget estimate for the whole year had been achieved in seven months. In the case of excise it was 57.5 percent and direct taxes 43.6 percent. Based on this trend, the Government felt that the budget estimate of Rs 25,208 crores of revenue collections under all the three heads would be exceeded by ten percent.

Members to take part in budget exercise: The Finance Minister said he proposed to associate members of the consultative committee in the pre-budget exercise. He would have a meeting with them in the first week of December to have their views on sectoral planning, expenditure control, etc. during 1986-87. This would be the first time that the members of Parliament would be taken into confidence much in advance of the budget about resource projections and other budgetary details. This proposal was commended by the members.

Expenditure panel suggested: In the course of the discussion, the members referred to faulty implementation of projects and wanted full funding to be ensured. It was suggested that an expenditure commission should be set up to go into the expenditure of Central Government periodically and recommend measures to check undue use. In this context, it was pointed out that once in five years the expenditure of State Governments was scrutinised by the Finance Commission and there should be a similar exercise in respect of Central expenditure.

Ban on recruitment: Dr A. Kalanidhi (DMK) complained that the ban on recruitment had affected important projects. For instance, the Madras rapid transit project had been hit because the project authorities could not recruit necessary manpower. It was explained by the officials that the ban was not absolute and the project authorities would be permitted to make recruitment provided they made out a case for it.

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CSO: 4600/1223

INDIA

## DECLINE IN INFLATION NOTED, SOME PRICES HIGHER

Bombay THE TIMES OF INDIA in English 23 Nov 85 p 9

[Text]

NEW DELHI, November 22.

**T**HE government today claimed a decline in the inflation rate to 4.8 per cent, but conceded that the prices of some essential commodities have moved up.

At the same time, it was stated that the availability of essential commodities has been generally satisfactory.

The issue came up through a calling attention motion in the Lok Sabha, to which the government responded by outlining the measures being taken to encourage production, ensure availability of essential items and to check prices.

The minister of state for food and civil supplies, Mr. K. P. Singh Deo, noted that the annual rate of inflation had declined from 9.2 per cent in March 1984 to six per cent in March, this year. The rate had declined further to 4.8 per cent in the first week of November.

### PRICE INDEX

During the first seven months of the current financial year, the wholesale price index has moved up by less than four per cent, he said.

During the past 13 weeks ending November 2, the wholesale price index fell by two per cent. However, the

prices of some essential commodities moved up.

He thought it was remarkable that during the lean period and the festival season the supply position of various essential commodities has been, by and large, satisfactory.

As for sugar production, it has been sluggish during the past two years, necessitating substantial imports. To enable the sugar factories to pay remunerative prices for cane, the statutory minimum price of sugarcane has been raised from Rs. 14 a quintal linked to recovery of 8.5 per cent to Rs. 16.50 a quintal linked to recovery of 8.5 per cent for the current year and to Rs. 17 a quintal linked to recovery of 8.5 per cent for the next sugar year.

As a consequence, the retail price of levy sugar has been raised by 40 paise per kg effective December 1. It was hoped that this would provide encouragement for enhancing the production of sugarcane and sugar.

He also said it was to encourage domestic production that issue prices of imported edible oils to the vanaspati industry and for the public distribution system had been raised by Rs. 2,000 per tonne and Rs. 1,000 a tonne respectively from November 15.

Simultaneously, the supply of imported edible oils to the vanaspati industry had been reduced from 60 per cent of their requirement to 50 per cent.

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CSO: 4600/1227

INDIA

AGRICULTURE POLICY SAID TO HAVE OUTLIVED USEFULNESS

Bombay THE TIMES OF INDIA in English 18 Nov 85 p 7

[Text] New Delhi, November 17 (PTI)--The present agriculture policy, evolved in the sixties in the wake of mounting food crisis in the country, has outlived its utility and should be reviewed afresh, a study by the centre for policy research has concluded.

The study on "agriculture towards 2000: a 15-year policy perspective (1985-2000)," points out that in the coming years the small and marginal farmers must benefit in a large measure from new strategies of agricultural growth.

The Green Revolution made India self-sufficient in foodgrains but, at the same time, produced serious imbalances in crop production, distorted cropping pattern, increased fluctuations in yearly agricultural output and widened inter-state and inter-regional disparities in agricultural growth rates, according to Dr B.M. Bhatia the author of the study.

The study observed that all this worked to the disadvantage of the weaker section of the farmers and agriculturally-backward regions with the result agriculture has come to be divided into two distinct parts. This comprised the irrigated 30 percent which accounts for 55 percent of the total agricultural produce of the country and unirrigated 70 percent which is rain-fed, traditional and unprogressive accounting for 45 percent of the agricultural production.

It said the country in its drive for achieving plan targets in foodgrains and a few commercial crops production has been devoting all the available resources meant for agriculture, including plan outlays, research and extension services, to the former and almost completely neglecting the latter.

The study, by the well-known agriculture and food economist, said further increases in production and productivity in the favoured Green Revolution region was going to be attained only with sharply rising unit cost.

The study said the most serious disadvantage of the agricultural policy has been that growth of agriculture has failed to make any dent into the problem of rural poverty and unemployment.

It said in large agrarian economies of Asia, like those of China and India, the problem of rural poverty and surplus labour can be solved only through growth of agricultural incomes and employment at the grass root level.

#### Change in Strategy

Solution to the problem of poverty should be sought by changing the development strategy and devoting greater attention to an even growth of agriculture and rural sector of the economy throughout the country, according to Dr Bhatia.

The whole policy thrust towards agriculture needs a fresh review, the study added.

The study said past experience and the present economic situation would suggest that the country should change over to a new growth strategy in which agriculture is made the lead sector in the entire growth process and the base for growth of industrial and tertiary sectors.

It suggests that modernisation of agriculture at the grass root level was the very essence of the proposed policy framework for economic growth.

The study also called for a comprehensive review of agricultural subsidies and the agricultural price policy both of which were increasingly becoming unsustainable.

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CSO: 4600/1217

INDIA

# HIGH-LEVEL COMMITTEE ON TRADE POLICY FORMED

Bombay THE TIMES OF INDIA in English 30 Oct 85 p 1

[Text] Bombay, October 29--The municipal administration today finalised an interim agreement covering wage revision and other allowances to its 125,000 employees. The benefits will cost the civic exchequer Rs 18 crores annually.

The settlement was arrived at between the administration and the Municipal Mazdoor Union, led by Mr Sharad Rao and the Mumbai Mahanagarpalika Karmachari Mahasangh, a two-member group which represented 28 other splinter unions.

All employees who were in municipal service as on March 31, 1984 will be paid an ad hoc advance of Rs 545 before Divali, it was decided. Those who joined between April 1984 and June 1985 will be paid Rs 375 and others who joined still later will be paid Rs 80.

The interim relief, to be paid with effect from July 1985, varies between Rs 65 and Rs 100 per month for various slabs. The increase in leave travel assistance with effect from April 1986 ranges between Rs 150 to Rs 250. Medical aid has also been raised from Rs 15 to Rs 30 per month for all employees.

The decisions are subject to the approval of the standing committee, the education committee (in case of school employees) and the corporation.

The final settlement will be drawn up only after the task of job evaluation, currently being carried out by the National Productivity Council, is completed. The exercise is expected to take about two years.

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CSO: 4600/1211



INDIA

## REPORTAGE ON TRIPARTITE LABOR CONFERENCE

### Proceedings Summarized

Bombay THE TIMES OF INDIA in English 26 Nov 85 p 9

[Text] New Delhi, November 25--Participants in their plenary speeches at the 28th session of the tripartite labour conference mostly restated their positions, with labour's thrust on security of employment and employers wanting industrial relations to be oriented towards higher production and productivity.

They also heard Central and state ministers reiterating the government's commitment to tripartism in industrial relations and social justice.

Meeting after an interval of 14 years, the conference had the largest representation with unions having a membership of more than 100,000 allowed to participate. This was at once the strength and limitation of the conference. Any consensus reached on the long list of items should be entitled to the widest support but at a large and diverse gathering the points of agreement would necessarily be narrowed down. These are to be finalised tomorrow.

The Prime Minister, Mr Rajiv Gandhi, underscored the need for infusing a "work ethos" and "work culture" in the industrial sector and made an impassioned plea to stop exploitation of the unorganised labour.

He told managers of industry, trade unions and workers to see that enough employment was generated not only in the organised but also in the unorganised sector.

Mr Gandhi hoped that in the seventh plan, in which prominence has been given to employment generation, enough jobs would be forthcoming.

Spokesmen of the public sector found themselves at variance with the views of the unions as much as private sector employers.

The unions complained about the agenda itself which, according to them, did not give priority to matters concerning job and social security, resettlement in case of closures, giving more purchasing power to workers and the like. They said they were not consulted on the agenda.

The need for keeping in view social perspectives in industrial relations was also stressed by Mr Keshub Mahindra (employers).

The growing incidence of violence in industrial relations also came in for mention with employers and unions blaming each other.

An interesting concept in respect of participative management was advanced by the managing director of the Central Warehousing Corporation, Mr M.K. Garg. He proposed that representation should be given at all levels to employees and not unions. He also thought that total abolition of contract labour was not feasible.

The labour minister, Mr T. Anjiah, who presided, held the employers and workers equally responsible for the maintenance of industrial peace. He sought voluntary arbitration when disputes could not be resolved by collective bargaining.

Addressing the conference, the finance minister, Mr V.P. Singh, spoke of the need for justice to all and said no model of growth would be stable unless prosperity was shared across the board.

Mr Singh informed the participants that in the new bill to curb industrial sickness, which is before parliament, a provision would be incorporated to ensure that no institutional finance was forthcoming to units which had turned sick due to mismanagement or diversion of funds.

Among the early speakers, Mr G. Ramanujam, president of INTUC, agreed on the need for new thinking, new attitudes and approach and said the traditional way of mutual recrimination should go. This should be an occasion for a joint search for all-round improvement.

The Maharashtra labour minister, MR N.M. Tidke, suggested that conciliation be effective and expeditious. Participative managements should be given legal shape. The entire formula of bonus needed a fresh look and a committee should go into it and the decisions made applicable for a minimum period of time.

The president of the All-India Organisation of Employers, Mr Yogendra Modi, said job security should not be misinterpreted as a protection to the indisciplined and non-producing employee. Employers should not be constrained from replacing such employees. The government must support evolution of such a work ethos, both in policy and action.

Mr Santi Ranjan Ghatak, minister in charge of labour in West Bengal, thought that the higher percentage of mandays lost through lock-outs was because of obsolescence, lack of product development, diversion of funds and lack of business integrity.

The president of the Employers Federation of India, Mr Keshub Mahindra, underscored the "formidable distances" in industrial relations which blocked the achievement of plan targets.

#### "Code of Discipline"

He said: "What we need is an objective assessment of current anomalies and shortcomings, a pragmatic approach to the implementation of existing rules and regulations which remain suspended in actual practice and action by the government on decisions arrived at unanimously.

He wanted the environment of confrontation to be replaced by one of participation.

He advocated the concept of productivity-linked wages and a code of discipline for employers, unions and the government. Stating that "we are not opposed to employee participation in management, he favoured a step-by-step process in every direction."

Mr Mahindra called for a permanent forum in which employers, workers and the government could meet from time to time. He suggested setting up of special committees under the main umbrella of this tripartite conference which will deal with specific subjects, deliberate and evolve methods to meet changing circumstances from time to time.

He said no ad hoc decisions should be taken by the government on major labour issues without consultation with employers and trade union leaders.

PTI adds: The AITUC general secretary, Mr Indrajit Gupta favoured strengthening the system of collective bargaining instead of constituting wage boards to arrive at a negotiated settlement between trade unions and the management.

"If we go back to wage boards, it will be a retrograde step," Mr Gupta said.

#### Consensus Proposal Reviewed

New Delhi PATRIOT in English 27 Nov 85 p 1

[Text] The 28th session of Indian Labour Conference agreed to revive the Standing Labour Committee (SLC) which according to the tentative proposal of the Union Labour Ministry will meet once in six months.

According to the proposal, the committee should be compact and its composition left to be decided by the Labour Minister. The ministry describing draft proposals as of a consensus asked the trade union centres and employers organisations to give their objections if any, within one week.

Apart from issues like child labour, safety and health, gratuity insurance scheme, raising the employers' contribution to the provident fund from eight to 10 percent, the major issue of fixing the criterion for the representation

of workers participation at the ILC and modalities for the implementation of workers participation in management were left to be considered by the SLC.

According to the consensus proposal, the scheme of the workers participation in the management should be implemented in the public, private and cooperative sectors. The question whether this scheme would be voluntary or made statutory as well as the modalities of implementation are left for the SLC to finalise.

Expressing concern over the growing incidence of sickness, it said that a standing committee should be set up to monitor the problem of sickness and also to undertake indepth study of the individual cases of the closed units as well as units identified as potentially sick. While suggesting preventive steps, it called for quick rehabilitation and revival of sick units.

Generally welcoming the Sick Industrial Companies (Special Provisions) Bill, 1985 now before Parliament the delegates wanted the Government to amend it suitably so as to bring within its purview sick units or otherwise healthy companies to prevent the latter from closing down the sick units. The conference also welcomed that interest of the workers should be fully represented in the constitution of the boards under the above Bill.

Expressing satisfaction on improvement in industrial relations, the conference proposed that disputes should be resolved through bipartite mechanism and where it was not possible tripartism could be resorted to. It called for giving preference to voluntary arbitrations to adjudications. The conference felt the need for increasing the number of labour courts and setting up of special benches in the High Courts and Supreme Court for consideration of labour matters.

Stressing for adequate training in workers in the use of safety equipment, the conference called for strengthening of existing safety and health measures. The conference desired that proposed amendment to the Factories Act should be expedited and more deterrent punishment to the repeated violaters of safety and health measures.

Expressing consensus in the favour of Gratuity Insurance Scheme as proposed by the Labour Ministry, the conference felt that employers' contribution to Provident Fund should be raised from eight to 10 percent.

Underlining the urgent need to improve the working conditions of the unorganised sector, it was felt that in this sector the workers' income should be raised and financial assistance should be enhanced. The conference also felt that where workers and employers mutually agree and have adequate alternative arrangements, they should be exempted from Employees State Insurance scheme.

After this consensus draft was read out by the labour secretary H.M.S. Bhatnagar non-INTUC union representatives got up to register their objection and it was pointed out that among other important missing issues there was no reference to deliberations on the recent Supreme Court judgment on Article 311-2 and demand for suitable amendment to guarantee security of job.

In the day some State labour ministers had a tough time when Labour Minister T. Anjaiah did not allow them to read out the prepared text of their speeches and asked them direct answers about what they have done in their States for labours' welfare. In one case State labour secretary had to come to the rescue of the State Labour Minister.

At one stage, it appeared that the ILC which met for 14 years would adjourn without a document but then Mr Kanti Mehta and Mr G. Ramanujam (both INTUC) suggested some points which finally formed the basis for reaching the tentative draft.

The Union Labour Minister, T. Anjaiah, who chaired the conference, announced he would soon convene a meeting of Labour Ministers and Labour Commissioners in Bombay to evolve a common Central Act on welfare of workers.

#### Meeting Terms Disappointing

Calcutta THE STATESMAN in English 28 Nov 85 pp 1, 9

[Text] New Delhi, Nov 27--The Union Labour Minister, Mr T. Anjaiah's announcement on the concluding day of the 28th session of the Indian Labour Conference yesterday that the next meeting would be held soon was welcomed by the participants. However, there was general disappointment over the way it all ended, with no firm accord on any issue.

The expectation at least among some that the conference, convened after a gap of 14 years, would give some new direction to employer-employee relations to lead the country faster on the road to progress remained totally unfulfilled.

What one heard of the ministerial speeches at the two-day session seemed as if they were all saying: "Please, let us please Rajivji." It was "our beloved Prime Minister has said about safety..." or "as Rajivji has said human resources are the most important asset in the country."

No wonder then, that Mr Anjaiah who chaired the meeting made it clear while dealing with a State Minister that he was looking for statistics to report to the Prime Minister. He cut short the Orissa Labour Minister and asked him to say what his State had done in regard to each agenda item.

His handling of the Orissa Minister went something like this: "Please don't read out your speech. Tell us what your State has done in regard to each of the agenda items." When the Minister persisted with his speech,

Mr Anjaiah stopped him and said: "No speech, I will ask you one by one, you say what your State has done."

The question-answer interlude went like this: "Industrial relations situation?" "No major constraint." "Then sick units in your State?" "Very low." "Workers' participation (in management)?" "Very pleasant." "Safety in factories?" "We don't have trained officers." "Welfare funds for workers?" "We are waiting for guidelines from the Centre." "Child labour?" "We have no problem."

Earlier, the U.P. Minister for Energy, Mr Sunil Shastri, who had been deputed by his Government for the meeting, also found himself interrupted by an impatient Mr Anjaiah who said: "We can hear your speeches in the Labour Minister's conference. Tell us what your State has done." When, on the point of safety, Mr Anjaiah persistently asked the Minister if he would tell the Prime Minister that within six months all necessary safety measures would be taken in U.P., the perplexed Mr Shastri mumbled "yes."

At this stage an official intervened to point out to the Central Minister that the State had followed all Central instructions and guidelines and that its own suggestion for an immediate amendment of the Factories Act to enable the inspection staff to order shutting down of plants which were hazardous had not received any attention by the Centre. "I am afraid there might be more (Bhopal tragedies)," he warned.

One got the impression that Mr Anjaiah's concern over safety gathered special interest only after the Prime Minister's reference to it in his address to the conference the previous day. The way he was repeatedly referring to Mr Gandhi's own comments on safety justified such an impression.

There was the unmistakable impression that the conference could have achieved a lot more if only the Government had made adequate preparations, discussed the agenda with both workers' and employers' representatives, done enough spade work to focus attention on the points of consensus (instead of vainly trying to achieve a consensus on the floor of the conference hall) and generally giving a proper direction to the conference. After the din and noise of two days, controversial issues like the manner of choosing the bargaining agents or the method of encouraging workers' participation in management remained very much where they were.

/9317

CSO: 4600/1234

INDIA

# OPPOSITION FORMULATES STRATEGY FOR WINTER SESSION

Madras THE HINDU in English 17 Nov 85 p 1

[Text] New Delhi, Nov 16--The opposition leaders of both the houses of Parliament, who met separately today to formulate their strategy for the winter session of Parliament beginning on Monday, decided to raise the failure of the Centre to act in the wake of the Supreme Court's strictures against the Jammu and Kashmir Governor, Mr Jagmohan.

The non-Congress (I) representatives in the Lok Sabha, who met at the house of the Janata leader, Prof Madhu Dandavate, decided to have "effective, proper floor coordination among parties" to ensure that their voice was heard in Parliament. The opposition leaders in the Rajya Sabha took strong exception to the decision of the Prime Minister, Mr Rajiv Gandhi, to attend the South Asia Regional Cooperation summit during the parliamentary session. Noting that Mr Gandhi would not be present on the opening day of the session, they said "it indicated scant respect shown by the Prime Minister to Parliament."

The rise in prices of essential commodities, including sugar and vanaspati, the crash in the prices of agricultural products like cotton, jute and sugarcane, as also the by-passing of Parliament by the Government in finalising the Seventh Plan would be given priority.

Nuclear option to be raised: The Opposition would raise the following subjects: Pakistan's nuclear programme and India's options, the threat to job security of Government employees due to the Supreme Court's judgment regarding the interpretation of Article 311 (2) of the Constitution, the impact of the new textile policy on handlooms, powerlooms, organised mill workers and cotton growers, increased unemployment due to indiscriminate import of sophisticated technology, implementation of Punjab and Assam accord, Central policy regarding overdrafts for States and renewed violence against Tamil-speaking population in Sri Lanka.

Among those who attended the meeting at Prof Dandavate's house were Telugu Desam--Mr P. Upendra, Mr Madhav Reddy, CPI(M)--Mr Amal Datta, CPI--Mr Indrajit Gupta, Congress (S)--Mr V. Kishore Chandra Deo, Forward Bloc--Mr Amar Roy Pradhan, RSP--Mr Piyus Tiraky, BJP--Mr Ashwani Kumar, Lok Dal--Mr Virendra Varma and J and K National Conference--Prof Saif-ud-din-Soz.

/9317

CSO: 4600/1214

INDIA

TEXT OF CITIZENSHIP (AMENDMENT) BILL 1985

Calcutta THE TELEGRAPH in English 21 Nov 85 p 6

[Text]

Whereas for the purpose of giving effect to certain provisions of the memorandum of settlement relating to the foreigners' issue in Assam (Assam accord) which was laid before the Houses of Parliament on the 16th day of August, 1985, it is necessary to amend the Citizenship Act, 1955.

Be it enacted by Parliament in the thirty-sixth year of the republic of India as follows:

1. (1) This act may be called the Citizenship (amendment) Act 1985.

(2) It shall come into force on such date as the central government may, by notification in the official gazette, appoint.

2. In the Citizenship Act, 1955 (hereinafter referred to as the principal Act), after section 6, the following section shall be inserted, namely:

"6A.(1) For the purposes of this section:

(A) "Assam" means the territories included in the state of Assam immediately before the commencement of the Citizenship (amendment) Act 1985.

(B) "Detected to be a foreigner" means detected to be a foreigner in accordance with the provisions of the foreigners Act 1946 and the foreigners (tribunals) order, 1964 by a tribunal constituted under the said order,

(C) "Specified territory" means the territories included in Bangladesh immediately before the commencement of the Citizenship (amendment) Act 1985

(D) A person shall be deemed to be of Indian origin, if he, or either of his parents or any of his grandparents was born in undivided India,

(E) A person shall be deemed to have been detected to be a foreigner on the date on which a tribunal constituted under the foreigners (tribunals) order 1964 submits its opinion to the effect that he is a foreigner to the officer or authority concerned.

(2) Subject to the provisions of sub-sections(6) and (7) all persons of Indian origin who came before the 1st day of January, 1966 to Assam from the specified territory (including such of those whose names were included in the electoral rolls used for the purposes of the general election to the House of the people held in 1967) and who have been ordinarily resident in Assam since the dates of their entry into Assam shall be deemed to be citizens of India as from the 1st day of January 1966.

(3) Subject to the provisions of sub-sections(6) and (7) every person of Indian origin who;

(A) Came to Assam on or after the 1st day of January 1966 but before the 25th day of March 1971 from the specified territory and

(B) has, since the date of his entry into Assam, been ordinarily resident in Assam, and

(C) has been detected to be a foreigner shall register himself in accordance with the rules made by the central government in this behalf under section 18 with such authority (hereafter in this sub-section

referred to as the registering authority) as may be specified in such rules and if his name is included in any electoral roll for any Assembly or parliamentary constituency in force on the date of such detection, his name shall be deleted therefrom.

Explanation: In the case of every person seeking registration under this sub-section, the opinion of the tribunal constituted under the foreigners (tribunals) order 1964 holding such person to be a foreigner, shall be deemed to be sufficient proof of the requirement under clause (C) of this sub-section and if any question arises as to whether such person complies with any other requirement under this sub-section, the registering authority shall,

(I) If such opinion contains a finding with respect to such other requirement, decide the question in conformity with such finding,

(II) If such opinion does not contain a finding with respect to such other requirement, refer the question to a tribunal constituted under the said order having jurisdiction in accordance with such rules as the central government may make in this behalf under section 18 and decide the question in conformity with the opinion received on such reference,

(4) A person registered under sub-section (3) shall have, as from the date on which he has been detected to be a foreigner and till the expiry of a period of 10 years from that date, the same rights



and obligations as a citizen of India (including the right to obtain a passport under the passports Act, 1967 and the obligations connected therewith), but shall not be entitled to have his name included in any electoral roll for any Assembly or parliamentary constituency at any time before the expiry of the said period of 10 years.

(5) A person registered under sub-section (3) shall be deemed to be a citizen of India for all purposes as from the date of expiry of a period of 10 years from the date on which he has been detected to be a foreigner.

(6) Without prejudice to the provisions of section 8,

(A) If any person referred to in sub-section (2) submits in the prescribed manner and form and to the prescribed authority within 60 days from the date of commencement of the Citizenship (amendment) Act, 1985, a declaration that he does not wish to be a citizen of India, such person shall not be deemed to have become a citizen of India under that sub-section,

(B) If any person referred to in sub-section (3) submits in the prescribed manner and form and to the prescribed authority within 60 days from the date of commencement of the Citizenship (amendment) Act, 1985 or from the date on which he has been detected to be a foreigner, whichever is later, a declaration that he does not wish to be governed by the provisions of that sub-section and sub-sections (4) and (5), it shall not be necessary for such person to register himself under sub-section (3).

Explanation: Where a person required to file a declaration under this sub-section

does not have the capacity to enter into a contract, such declaration may be filed on his behalf by any person competent under the law for the time being in force to act on his behalf.

(7) Nothing in sub-sections (2) to (6) shall apply in relation to any person:

(A) Who immediately before the commencement of the Citizenship (amendment) Act 1985, is a citizen of India,

(B) who was expelled from India before the commencement of the Citizenship (amendment) Act, 1985, under the foreigners Act, 1946.

(8) Save as otherwise expressly provided in this section, the provisions of this section shall have effect notwithstanding anything contained in any other law for the time being in force."

3. In section 18 of the principal Act, in sub-section (2) after clause (E), the following clause shall be inserted, namely "(Ee) the manner and form in which and the authority to whom declarations referred to in clauses (A) and (B) of sub-section (6) of section 6A, shall be submitted and other matters connected with such declarations."

### Statement of objects and reasons

The core of the memorandum of settlement (Assam accord) relates to the foreigners' issue, since the agitation launched by the Aasu arose out of their apprehensions regarding the continuing influx of foreign nationals into Assam and the fear about adverse effects upon the political, social, cultural and economic life of the state.

2. Assam accord being a political settlement, legislation is required to give effect to the relevant clauses of the Assam accord relating to the foreigners' issue.

3. It is intended that all persons of Indian origin who came to Assam (including such of those whose names were included in the electoral rolls used for the purpose of general election to the House of the people held in 1967) and who have been ordinarily resident in Assam ever since shall be deemed to be citizens of India as from the 1st day of January, 1966. Further, every person of Indian origin who came on or after the 1st January, 1966 but before the 25th March, 1971 from territories presently included in Bangladesh and who has been ordinarily resident in Assam ever since and who has been detected in accordance with the provisions of the foreigners' Act, 1946 and the foreigners (tribunals) order, 1964, shall, upon registration, be deemed to be a citizen for all purpose as from the date of expiry of a period of 10 years from the date of detection as a foreigner. It is also intended that in the intervening period of 10 years, these persons should not suffer from any other disability vis-a-vis citizens, excepting the right to vote and that proper record should be maintained of such persons. To inspire confidence, judicial element should be associated to determine eligibility in each and every case under this category.

4. The Bill seeks to amend the Citizenship Act, 1955 to achieve the above objectives.

Arun Nehru  
New Delhi,  
The 15th November, 1985

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CSO: 4600/1222

INDIA

CPI-M GENERAL SECRETARY OPENS BENGAL PARTY CONFERENCE

Calcutta THE STATESMAN in English 22 Nov 85 p 13

[Text] Cochin, Nov 21--Mr E.M.S. Namboodiripad, General Secretary of the CPI(M), while inaugurating the five-day State conference of his party yesterday, complained that for the first time since Independence, a Bill had been introduced in Parliament seeking to disenfranchise lakhs of people in Assam and warned that it could well happen in other States also.

The Marxist leader said that the economic policy of the Government of Mr Rajiv Gandhi had resulted in growing unemployment and crash in prices of agricultural produce. The country's dependence on "foreign monopolists" could imperil India's leading role in the non-aligned movement, he warned.

Mr Namboodiripad ruled out the possibility of the CPI merging with the CPI(M). The two parties, he said, did not see eye-to-eye on policy issues, including that of sharing power. The CPI(M) would share a power only where it could have a decisive say in the administration, he added.

Referring to the deepening crisis in the ruling United Democratic Front in Kerala, Mr Namboodiripad said the CPI(M) would not accommodate the Kerala Congress which found itself at loggerheads with the Congress (I), which leads the coalition Government because of its "sectarian approach" to problems.

Mr Namboodiripad said the slogans of the Kerala Congress calling for a "Punjab-model" agitations to secure the "legitimate" rights of the State was not acceptable to the CPI(M). He wanted the United Front partner to give up this attitude.

Mr P.J. Joseph, Chairman of the Kerala Congress and Revenue Minister in the Kerala Government, said his party would step up its agitation for redressal of the grievances of agriculturalists and it was up to the Congress(I) to decide whether or not it wanted the coalition Government to continue. Dropping the Kerala Congress from the UDF would mean the end of the Karunakaran Ministry.

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CSO: 4600/1226

INDIA

#### CPI-M DISTRICT COMMITTEES UPHOLD BENGAL LEADERS

Calcutta THE STATESMAN in English 29 Nov 85 pp 1, 9

[Text] The most important outcome of the just-concluded conferences of the local, zonal and district committees of the CPI(MB) in West Bengal is that the State leadership has been successful in upholding its stand on maintaining the status quo, both in terms of its policies and programmes and continuity of leadership at the lower levels of the party.

The outstanding feature of the conferences was that despite differences and dissensions, the State leadership was not only able to carry with itself most of these committees at the grass-roots level, but successfully overcome the opposition through skilful manoeuvring and resorting to the carrot and stick policy that sought to challenge its political line of maintaining the status quo in the party. Sixteen of the 17 district committees, except Malda, have re-elected their general secretaries, many of whom are said to be close to the present State leadership.

Though many of them had been tipped to be dropped from their important posts because of old age and physical infirmities, they have been "retained" as the State leadership is presently opposed to any change in policy of the party. Even the delegates who will represent the districts at the 15th State committee conference of the party beginning in Calcutta on Friday have been "chosen in such a selective manner" that they do not pose any threat or embarrassment to the State leadership. Party insiders say that with the minimal presence of dissidents ensured the State committee conference, in preparation for 12th party congress, will be smooth going for the State leadership with no major changes, organizational or political, in the offing.

Perhaps no less significant outcome of these conferences is confirmation of the fact that Mr Jyoti Basu is the undisputed and pre-eminent leader of the State party, whose say in controversial matters is gradually becoming final. Since Promode Dasgupta's death, the party has been relying heavily on his image and political experience to lead it. "But now after these conferences, he is no longer the first among equals in the party's collective leadership. He is now leading the party not only in the Government but in organizational matters too.

"His pragmatic role in mollifying criticisms against automation and joint sector projects, in defence of Left Front unity and personality taking the initiative to iron out the differences between factions has largely been responsible in maintaining the party's line--continuance of the status quo. His line favouring selective computerization and joint venture projects has become the party line and accepted by the majority," said an important CPI(M) Minister and member of the State committee.

#### Contender

What according to the party insiders has greatly helped the State leadership to make even the dissidents at these conferences to fall in line is the gradual emergence of the Congress (I) as a strong contender of the CPI(M) in the State. The State and district leaders at almost all the conferences recalled the "dark days" of the Congress rule when hundreds of their leaders and workers were killed.

The conferences, according to the insiders, were notable for another reason--failure to throw up new political and organizational ideas. The delegates reportedly displayed lack of keenness for new ideas--political or otherwise. They preferred to concentrate their attacks on the "failings" of the party leadership at various levels, groupism in the party, "dead and irrelevant partners" of the Left Front and their "unfriendly MLAs," than on overcoming the functional constraints of a Marxist party operating within the present constitutional framework. But what came to the fore during discussions was the personal and administrative weakness of the party's Ministers and leaders causing disaffection and disunity within the party and impairing its image.

#### 'Intolerance'

The conferences laid bare the prevailing intolerance at the lower levels of the CPI(M) leadership towards the other partners of the Left Front. The contradictions between the State and many district leaders over the issue was prominent. Many leaders of the districts refused to share the political perspective of the State leaders to preserve and strengthen the unity of the Front. Many repeated the theory of polarization of support between the CPI(M) and the Congress (I) and irrelevance of the other Left parties. Some local leaders, as at the Murshidabad conference, described the other Left parties "dead bodies" whose burden could no longer be borne by the CPI(M). Names of "erring" MLAs and leaders of other Left parties were mentioned at some of these conferences for their criticism of the CPI(M). Many demanded that these MLAs should not be renominated or should be replaced by those of the CPI(M)." Our problem is that leaders at lower levels do not realize the political role and necessity of the Left Front," a CPI(M) Minister lamented.

The State leadership had, however, sought to dispel the view by stressing the need to strengthen and unite the Front. The need for this was now greater than ever before. Besides tactical prudence, a united Left rather than the CPI(M) alone could hope to cope with the varied and complex operational constraints of the Front Government and meet the political challenge of the Congress (I).

/9317

CSO: 4600/1238

INDIA

## KASHMIR JAMMAT DENIES LINKS WITH TERRORISTS

Calcutta THE TELEGRAPH in English 23 Nov 85 p 5

[Text]

Srinagar, Nov. 22: The Jammu and Kashmir Jamaat-e-Islami has dissociated itself from the recent terrorist activities in the state and said it would seek a solution to the existing political, economic and social problems only through peaceful means. The party's stand over the state's accession, however, had not changed, the Jamaat chief told newsmen here, urging both India and Pakistan to solve the Kashmir problem amicably.

Amir Gulam Muhammad Butt, Jamaat chief, referring to allegations made by the state police chief—that the Jamaat was involved in the recent bomb explosions and other subversive activities—said the police and intelligence agencies were misleading officials and people by floating “fabricated reports about the Jamaat’s functioning.” He said, “It seems they have decided to give the dog a bad name and kill him.”

Reiterating that his organisation did not believe in violence, whatever the cause might be Mr Butt said the police chief’s recent accusations appeared to be part of a “conspiracy” hatched against the Jammats. Asked what could be the purpose of this “conspiracy,” he said it was to defame the Jamaat and link it with underground subversive activities so that there was

ground to persecute its workers.

Several Jamaat activists were already detained under the Anti-terrorist Act and the state’s Public Safety Act, he said. He added it was ironic that not a single allegation against Jamaat activists could be proved in a court of law.

Mr Butt said that he had brought to the notice of the Union home minister, Mr S.B. Chavan how Jamaat activists were being “harassed and dragged into false cases,” at a recent meeting in Srinagar.

In reply to a question, Mr Butt said Kashmir continued to be a “disputed territory” and that the question of the state’s accession to India was not final but should be reviewed. Since the issue needed to be solved amicably, both Mr Rajiv Gandhi and Gen. Zia-ul Haq should meet at their earliest to resolve the problem. He welcomed the proposed meeting between the two leaders in New Delhi next month, asserting it was a positive step towards bringing peace in the subcontinent.

“To challenge Jammu and Kashmir’s accession to India is not against any law because even Islamabad and New Delhi admit that the Kashmir issue is still alive,” said the party chief. He added the state was passing through a serious crisis. The situation needed to be reviewed immediately.

/9274

CSO: 5650/0055

29 January 1986

INDIA

## BIHAR LANDLORDS, LANDLESS ORGANIZE PRIVATE ARMIES

Calcutta THE STATESMAN in English 25 Nov 85 p 9

[Text] Patna, Nov 24--Private armies (senas) are proliferating in Bihar with the growing militancy of the landless. Investigation by UNI revealed that there are at least nine such private armies in the State, most of them organized on caste lines by landlords and some by the landless demanding land reforms, implementation of the Minimum Wages Acts, freeing of bonded labour and provision of house sites.

The latest of these armies is the "Lorik Sena" which struck terror in the interior parts of Nalanda and Gaya districts recently.

Official sources said that the Lorik Sena raided four villages in the Nalanda district on November 15 and killed three people supposed to be members of the "Lal Sena" (Red Army) of extremists.

The victims were dragged out of their homes, shot dead and their bodies thrown into the Phalgu river. The killing was allegedly in retaliation of the murder of two members of the Lorik Sena by the Red Army a day earlier.

Two other alleged naxalites were killed at Ghoshi in Gaya district.

The strength of these rival armies could be judged from the fact that the fighting between them lasted eight hours.

After the armed clashes between these two senas, the State administration despatched two companies of paramilitary forces and asked the district authorities to assess the situation. The Chief Minister, Mr Bindeshwari Dubey, also rushed to Nalanda for a first-hand study of the situation.

Mr Dubey is also understood to have directed the administration to impound illegal arms, round up suspected members of these armies and speed up anti-crime measures.

The violence in Nalanda and Gaya followed a dispute over minimum wages for harvesting crops. Reports received by the police headquarters indicated that tension between the landless and landlords is mounting in more than a dozen districts of north Bihar.

These "armies" are well-organized and in some cases have the backing of even police officials. This becomes clear from a report sent by the Gaya District Magistrate on the involvement of the officer-in-charge of a police station in Nalanda in the Lorik Sena attack on the landless.

The Government has asked the regional Inspector-General of Police, Mr D.N. Sahay, to investigate the report.

Apart from the Lorik Sena and the Lal Sena, there are the Bhoomi Sena, Kuer Sena, Bramharshi Sena, Azad Sena, Srikrishna Sena, Samajvadi Krantikari Sena and Soshit Samajvadi Sena.

The Bhoomi Sena and the Lorik Sena are considered formidable and have been responsible for a series of "encounters" and murders.

Last year as the Bhoomi Sena spread terror in Patna, Nalanda and Gaya districts, the then Chief Minister, Mr Chandra Shekhar Singh announced in the Assembly that the Bhoomi Sena had been declared "illegal" and the administration asked to disarm its members.

/9317

CSO: 4600/1230



INDIA

# TOHRA REELECTED CHIEF OF SIKH COMMITTEE

Calcutta THE STATESMAN in English 30 Nov 85 pp 1, 9

[Text] Chandigarh, Nov 29--Mr G.S. Tohra was today elected president of the Shiromani Gurdwara Pradandhak Committee at Amritsar, according to reports received here. It is for the 14th year that he has been elected to head the all powerful religious body of the Sikhs, which manages historic Gurdwaras. Its budget runs into crores and its leaders influence Akali politics in a big way.

Mr Tohra was named the official Akali Dal (L) candidate by Mr Surjeet Singh Barnala, Chief Minister and acting president of the party, last evening. With the United Akali Dal depleted and in disarray (the only other group to contest the poll), it was bound to be a cakewalk for Mr Tohra. The United Akali Dal only put up a symbolic fight by fielding Mr Bir Singh, a lesser known person, to oppose Mr Tohra. He was defeated by an overwhelming majority--Mr Tohra getting 115 and Mr Bir Singh just nine votes.

It is significant that Mr Tohra had initially expressed his desire against contesting the election this time. In fact, he had said that he would not stand for any office. This was when he was opposing both the Punjab accord signed between the Prime Minister and Sant Harchand Singh Longowal and its architects, including Mr Barnala.

Now, he is with Mr Barnala, who decided to have him as SGPC chief again to strengthen his position in case of factionalism in the party. That Mr Barnala and Mr Badal belong to different camps in the party is too well-known, and Mr Barnala could not afford to have both Mr Badal and Mr Tohra as his opponents in the party. Hence, he opted for Mr Tohra, despite much opposition from various groups in the party.

It is known that Mr Badal's group, Mr Ravi Inder Singh, Mr Amarinder Singh and several others in the Akali Dal (L), were opposed to Mr Tohra being re-elected. The United Akali Dal was against him too.

In the circumstances, the dominant group in the ruling party decided upon the strategy of nominating him as the official candidate. This way, various Akali groups would be duty-bound to support him unless they were prepared to leave the party. This, perhaps, they would not be prepared

to do. Also, many partymen would want to support the Chief Minister's nominee, specially when the latter is yet to expand his Ministry. Another factor that goes in favour of the Chief Minister's nominee is that district jathedars continue to be supporters of Mr Barnala.

It was generally felt that Mr Tohra still had the support of 40 to 45 members of the SGPC (it is the same body as last year and has 140 members), while Mr Badal has 35 to 40 supporters, Mr Barnala and Mr Balwant Singh together a little more than 30 and the United Akali Dal about 20.

If the first three groups favour any one candidate, there is hardly any contest left. The United Akali Dal knew it and that is why it fielded a lesser-known candidate for a symbolic fight. Its appeal for a conscience vote could not cut much ice in the present context as the Akali Dal (L) is the ruling party in Punjab.

Mr Tohra stays on as president of the SGPC. The organization will be under renewed pressure to take a more effective stand against terrorism. The pressure has increased after the attack on Giani Sahib Singh, head priest of the Golden Temple and intelligence reports suggest that extremists are gaining strength in the Golden Temple complex once again. The Akalis themselves being the ruling party, it has become important for them to persuade Mr Tohra to do something about it. Mr Balwant Singh, Finance Minister, was rather strong in his demand when he visited Amritsar after the attack on Giani Sahib Singh. Mr Barnala has said that the responsibility for law and order in the complex is that of the SGPC.

Mr Tohra is believed to have had contacts with various sections of Akalis, even with the extremist elements in the complex, and it is to be seen what stand he takes. He had given up his opposition to the Punjab accord, apparently to get Mr Barnala's support for re-election to the SGPC post. In turn, he may be obliged to help Mr Barnala retain the Akali Dal's presidency. But Mr Tohra has his own politics. Few can predict its course. He is not the type to lie low for long.

The SGPC general house today endorsed the decision of its executive to build the Akal Takht, adds PTI.

In a resolution it called on the management of the SGPC to take steps towards its reconstruction so that its sanctity was restored. The house sought withdrawal of restrictions on visits to Punjab by foreigners, specially visits to the Golden Temple.

The SGPC today conferred on Sant Harchand Singh Longowal, the highest Sikh title of "panth ratan" in recognition of his services for the "glory of the Sikh panth," a resolution adopted by the SGPC general body said.

The general body decided to celebrate the fourth centenary of the Golden Temple on January 3, 1987, in a "befitting manner."

/9317

CSO: 4600/1240

INDIA

BRIEFS

ADVERSE TRADE BALANCE--New Delhi, Nov 19 (UNI)--India had an adverse trade balance of Rs 3,079 crores in the first four months of the current financial year. The nation's adverse trade balance for the whole of 1984-85 was Rs 5,319.21 crores, the commerce minister, Mr Arjun Singh, told the Rajya Sabha today. [Text] [Calcutta THE TELEGRAPH in English 20 Nov 85 p 4] /9317

INDO-PAK BORDER POSTS--New Delhi, Nov 19--The Centre has decided to set up CBI posts along the border with Pakistan in Punjab, Gujarat and Rajasthan to contain extremist activities and smuggling. Official sources said under the new arrangement the Border Security Force (BSF) would hand over smuggler and suspected extremists to CBI officers manning the posts, instead of to the state police. The sources said to begin with, nearly two dozen such posts would be set up along the border. The border operations of the bureau, sources informed, would be looked after by a joint director at the CBI headquarters. Though no decision has been taken, a new post of a joint director might be created for the purpose. Punjab and Rajasthan will have more CBI posts than Gujarat. The new arrangement, the sources explained, is not applicable to Jammu and Kashmir for various reasons. [Text] [Calcutta THE TELEGRAPH in English 20 Nov 85 p 4] /9317

SOVIET OLYMPIC OFFER--New Delhi, Nov 15--A two-member Soviet delegation in India since November 2 is learnt to have offered India to train her sportsmen with their teams for the 1988 Olympic Games in Seoul. The delegation is headed by former hammer throw world record holder, Dr Vasilli Varonkin, and has come here to identify a suitable venue to set up excellence centre with Soviet collaboration. Dr Yuri Kelstchev, who coached the Soviet volleyball teams for the 1964 and 1968 Olympics, is accompanying him. The delegation called upon various Indian sports administrators and suggested that there are two ways of Indian teams. "Either they can train with our teams or our coaches can come here to prepare them. But you should make up your mind fast as time is running out. In case you opt for the latter then more time will be needed to find suitable coaches," Dr Varonkin is learnt to have said. [Excerpt] [Calcutta THE TELEGRAPH in English 16 Nov 85 p 15] /9317

HINDI ORDER WITHDRAWN--New Delhi, Nov 28--The Central Government today withdrew the order issued by it requiring all institutions getting Central grants or other assistance to use Hindi. The withdrawal of the order follows strong protests by AIADMK and DMK members in both the Houses of Parliament

and leaders of both the parties in Madras against the order on the ground that it amounted to imposition of Hindi in contravention of the assurance given by the former Prime Minister, Jawaharlal Nehru. The controversial order was issued on November 4 and under that, all autonomous bodies and societies getting grants or other financial aid from the Central Government to the extent of 50 percent and above should follow the official languages policy of the Centre and use Hindi in their day-to-day work. The report on this circular published in THE HINDU on November 25 triggered strong reactions in Madras and M.P.s from Tamil Nadu voiced their strong protests in both the Houses of Parliament on Tuesday. Mr R. Mohanaragam, leader of the AIADMK Parliamentary Party, who had raised this issue in the Rajya Sabha, thanked the Prime Minister, Mr Rajiv Gandhi, and the Union Government for having responded to the public opinion so promptly and withdrawing the order without standing on prestige. [Text] [Madras THE HINDU in English 29 Nov 85 p 1] /9317

NEW BHUTANESE ENVOY--New Delhi, Nov 18--Dr T. Tobgyal has been tipped to be the new Ambassador of Bhutan to India. Though no formal announcement has been made, New Delhi has conveyed its formal approval to Bhutan. Dr Tobgyal will replace Dasho Om Pradhan, who is slated to return to Bhutan shortly to take up another assignment. [Text] [Madras THE HINDU in English 19 Nov 85 p 11] /9317

DELHI LIEUTENANT GOVERNOR--New Delhi, Nov 17--The new Lt Governor of Delhi, Air Vice Marshal (rtd) Harkishan Lal Kapur yesterday warned of firm action against corrupt officials and said he would not yield to political pressure. After taking the oath of office, Mr Kapur told newsmen that steps would be taken to maintain law and order in the capital with the cooperation of the people. He said his predecessor had taken some action to boost the police force and he would try to make it more effective and responsible to the public. Mr Kapur, 62, was administered the oath of office and secrecy by the Delhi Chief Justice, Mr Justice Rajinder Sachar, at a simple function at Raj Niwas.--PTI [Text] [Madras THE HINDU in English 18 Nov 85 p 7] /9317

BIHAR ADMINISTRATIVE CHANGE--Patna, Nov 29--The Bihar Cabinet yesterday decided to bifurcate the Irrigation and the Health Departments to ensure better operational efficiency, reports PTI. A new Department of Water Resources Development and Flood Protection comes into being with Mr Saroj Kant Datta as the secretary as a result of the bifurcation of the Irrigation Department. The Irrigation Department would henceforth deal with maintenance, operation, revenue decision and research in respect of irrigation systems as also the Water and Land Management Institute, Khagaul. Mr P.S. Ohali will be the new Irrigation Development Commissioner. He has also been made principal secretary for irrigation, minor irrigation, agriculture and canal area development agency. The Health Department has been split into Medical Education and Family Welfare with Mrs Malati Sunila Sinha as the secretary, while Mr K.K. Saha, health secretary, would be in charge of the Health Department Besides overall coordination of both the departments. He will also have cadre control of the entire Health Department. The special secretary Irrigation Department, Mr K.N. Misra, has

been shifted to the Home Police Department in the same rank, while the special secretary health, Mrs Sunila Basant, has been appointed the commissioner of Santhal Pargana. [Text] [Calcutta THE STATESMAN in English 30 Nov 85 p 11] /9317

ROCKET MOTOR TESTING--New Delhi, Nov 25--The third stage rocket motor static testing, a milestone in the preparation for the launching of the Augmented Satellite Launch Vehicle, has been successfully completed at Sriharikota, reports UNI. With the completion of this test on Saturday, the first three stages of the ASLV have been fully qualified, an official spokesman said here today. The launch facility at Sriharikota and all other ground stations tracking the ASLV had been commissioned, he said. The launch campaign of the ASLV was expected to start next month. The ASLV is scheduled to be launched in March-April next year. [Text] [Calcutta THE STATESMAN in English 26 Nov 85 p 9] /9317

CPI ON SUMMIT--New Delhi, Nov 24--The central secretariat of the Communist Party of India yesterday welcomed the declaration by Mr Gorbachov and Mr Reagan of their aim to prevent any nuclear conflict between the Soviet Union and the USA. A statement by the CPI said the Geneva summit had ended without any agreement on the main issue of halting the nuclear arms race and the Star Wars. But the admission that a war between them "will be catastrophic will help the world peace forces to bring pressure on President Reagan and his allies to give up their Star Wars programme and for reduction of nuclear weapons in a big way." [Text] [Calcutta THE STATESMAN in English 25 Nov 85 p 12] /9317

SOVIET JET FUEL--New Delhi, Nov 21--An agreement for import of 5,000 tons of jet fuel was signed here yesterday between the Indian Oil Corporation and the Soviet foreign trade organization. Mr P.D. Kalkar, General Manager (International Trade), Indian Oil and Mr C.M. Smirnov, Deputy Trade Commissioner, USSR, signed the agreement at the USSR pavilion in the India International Trade Fair. This import is in addition to 2.5 million tons of petroleum products and 3 million tons of crude oil for which an agreement was signed earlier in 1985. USSR is a major supplier of petroleum products and crude oil to India. About 50 percent of deficit petroleum products and 25 percent of crude are received from the Soviet Union. [Text] [Calcutta THE STATESMAN in English 22 Nov 85 p 15] /9317

CONSULATES IN USSR--Moscow, Nov 17--India will soon open two more Consulates in the Soviet Union in addition to the one at Odessa, reports UNI. Sources said the Consulates would be located at Tashkent and the far east Siberian port of Nakhodka. The Consulates are being set up in view of India's growing trade and economic ties with the Soviet Union. Nakhodka, which is gaining importance in Soviet trade, offers India bright prospects for strengthening its relations with the Soviet Union. [Text] [Calcutta THE STATESMAN in English 18 Nov 85 p 9] /9317

NEW TRADE UNION--New Delhi, November 28 (PTI)--Representatives of a large number of trade unions in the capital have decided to form a new trade union organisation called Mazdoor Sangharsh Morcha. At the meeting here

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yesterday, the delegates set up a preparatory committee with Mr T.M. Nagarajan as convener to call a bigger conference of like-minded trade unions in March next year. [Text] [Bombay THE TIMES OF INDIA in English 29 Nov 85 p 6] /9317

ANTARCTICA EXPEDITION--Panaji, November 27 (PTI)--The fifth Indian scientific expedition which is scheduled to leave for icy Antarctica, will have a special winter team of 15 members to stay behind for 480 days. The team of 87 members, including the 15 winter team members, is being led by Mr M.K. Kaul of the Geological Survey of India. The team, according to the present plans, would leave on November 28 or 29, a spokesman of the Union department of ocean development said here today. The deputy leader of the team is Mr V.N. Nijampurkar of Physical Research Laboratory, Ahmedabad. The ship MV "Thule Land," a Swedish ice-breaker, which is in Mormugao harbour, is likely to arrive here this week, loading of goods was still in progress. [Text] [Bombay THE TIMES OF INDIA in English 28 Nov 85 p 7] /9317

KERALA JANATA, CONGRESS-I--Trivandrum, Nov 25--The Democratic Janata Party led by the Kerala cooperation minister, Mrs M. Kamalam, yesterday decided to merge with the Congress(I) at a meeting of its general council here. With the merger the strength of the Congress(I) in the Assembly will go up to 34 with seven ministers. Mrs Kamalam and her supporters will be formally admitted to the Congress(I) next month. The Kuttiani Congress led by Mr Jose Kuttiani, MLA, is also expected to be absorbed into the Congress(I) on the occasion. The DJP was formed after the Janata (G), itself a splinter which broke away from the Janata to join the UDF, split in the Assembly. Three of the four Janata (G) members in the House moved over to the new group. Later one of them, Mr P.C. Thomas, left to join the Kerala Congress just before the Anti-defection Law came into force. Another member, Mr Kottakuzhi Sukumaran, also resigned from the DJP with the intention of joining the Kerala Congress but he was late and was forced to remain an Independent lest he be disqualified under the Anti-defection Law. This left the DJP with a solitary member and minister, Mrs Kamalam. The Kuttiani Congress was formed by Mr Jose Kuttiani after he was suspended from the Congress(I) along with two others for abstaining from the House during voting on a non-confidence motion against the Karunakaran ministry early last year. While the other two joined the Congress(S), Mr Kuttiani remained an Independent in the Opposition and switched over to the ruling side in the last Assembly session. At a recent meeting here, he and his supporters decided to rejoin the Congress(I). [Text] [Calcutta THE TELEGRAPH in English 26 Nov 85 p 5] /9317

INDO-JAPANESE CREDIT AGREEMENT--New Delhi, November 25 (UNI)--India and Japan signed here today a credit agreement for 39.231 billion yen--about Rs 197.4 crores. The funds will be made available through the Overseas Economic Cooperation Fund of Japan (OECF). The agreement was signed by Mr T. Hosomi, chairman of the OECF and Mr S. Venkataramanan, finance secretary. The amount is earmarked for five projects including gas pipeline project (Rs 80 crores), Sardar Sarovar hydro-electric project (Rs 14.3 crores), and telecommunication project VIII (Rs 48 crores). [Text] [Bombay THE TIMES OF INDIA in English 26 Nov 85 p 9] /9317

IRAN

ARTICLE EXAMINES EFFORTS TO CURTAIL DRUG ADDICTION

Tehran KEYHAN in Persian 17 Nov 85 pp 5, 19

[Excerpts] In the concluding portion of the conference, anti-narcotics campaign experts and officials gave their final views at the KEYHAN session. Finally they reached the conclusion that there is no basic way to eliminate the problem of addiction decisively without uprooting all the fundamental factors in the growth and spread of addiction, including economic, social, and political factors, the cultural aspects, and finally family and educational factors. A special program must be designed and implemented for each of these factors. At the conclusion of this series of reports the hope was expressed that the main and fundamental resources for preparing and implementing new programs will be made available to insiders and officials.

In the previous issue, in a study of the background of addiction and the reasons for the spread of narcotics, ways to implement basic solutions in the fight against narcotics smuggling were examined. In the same connection, comments from conference participants produced the conclusion that despite great efforts by police, judicial, and health officials in the anti-narcotics campaign, the desired success has not yet been achieved in this area. Conference participants believe that the chief reasons for the lack of success have to do with lack of coordination between the involved organizations, ambiguities in the law, the lack of a controlling legal apparatus, and the lack of economic and social projects to uproot the basic causes and factors in the spread of addiction. In today's report, as we pursue the issues previously discussed, we will discuss the situation at the island for addicts, and then we will study the cultural and propaganda activities which have been carried out in this area, and their necessity.

Project to Send Addicts to Island

The project to send hardened addicts to a remote island to the south of the country was first proposed early in 1359 [21 Mar 1980 - 20 Mar 1981] by media officials. The idea was raised



again from time to time, and addicts were warned that if they insisted on continuing with their addiction and declined to quit decisively, they would be exiled to an island. In the first half of the month of Mehr last year [23 Sep - 7 Oct 1985] the first group of addicts, including 300 hardened addicts, was sent from Tehran to Shirin-e Now Island south of Bushehr. From that time on the sending of hardened addicts to this island from various cities in the country has continued regularly. According to statements by the officials involved, this island has 15,000 persons, and can accommodate 30,000 if necessary. Concerning the island, a necessary topic of discussion is whether the aim of sending addicts to this island is their rehabilitation and cure, or whether it is to isolate them from society.

In this connection, although there are various rumors in circulation concerning this island, some of which even refute its existence, Hojjat ol-Eslam Zargar, supervisor of the anti-narcotics revolutionary prosecutor's office, said: This island exists and there are now 3,000 addicts there who have been sent from various cities. The island is not for quitting addiction, but to isolate addicts from society. The very existence of an addict is a corrupting factor, because an addict who has quit his addiction several times definitely has no source of income. Such people are therefore drawn into the distribution of narcotics to feed their habit, in order get other people addicted. On the other hand, because of the corruption that they cause, the problems that they make have rendered their families helpless. Contacts with families have made this clear, because in referring to us they never object to sending addicts to the island. They simply want information about their situation, and for this purpose written communications have been established, where families post their letters, to be delivered by the prosecutor's office, at specified boxes. The addicts, in turn, submit letters to the prosecutor's office, which delivers them to their families.

He added: The sending of addicts to this island under Article Five of the Security Law is not so that they will quit their addiction, but to isolate them from society, because their very existence in society corrupts others. In general, for every crime, if a person has two previous convictions and is arrested on a third offense, under the law he must be imprisoned, and the religious magistrate must stipulate that he has become a hardened criminal. Therefore, in this special case the addict is designated a "hardened addict," and under the law he may be kept in a remote place indefinitely with no restrictions.

He continued: Concerning the facilities at the island, we must say that it is precisely like a prison, and addicts are treated as prisoners. Since these people have been convicted, the same food and activities are provided for them that are provided in



the prisons. Of course we were hoping to have more facilities than are now presently available, but unfortunately we had problems, and this kept resources below optimum levels.

#### Relocating the Island of Addicts

Hojjat ol-Eslam Zargar announced that the exile site for hardened addicts would be moved from Shirin-e Now Island to another island. He said: Although this island has been transferred to us on paper, due to the fact that national affairs have left it severely deficient, agreement has been reached to select another site, where extensive facilities will be available to employ addicts when it is ready. Facilities have been installed there already to the extent possible, and other facilities such as looms and presses will be transferred there soon.

He emphasized again: Addicts at the island are treated exactly like prisoners in a prison, and the administration there is now under the direct supervision of the supreme judicial council. These people will remain there until narcotics are eliminated from society and these addicts will not be able to seek narcotics when released.

Hojjat ol-Eslam Zargar was asked about the possibility of reporters visiting this island to report on it, which could be fruitful. He said: After the site is changed to another island in the not-so-distant future, this will be possible.

#### Cultural Activities

As has been noted in previous issues, in addition to its social, economic, and political dimensions, the matter of addiction also has cultural roots. Therefore, in order to secure agreement on a comprehensive anti-addiction and narcotics campaign, the cultural aspects must also be considered and measures taken.

In the same connection, the Anti-Narcotics Smuggling Campaign Coordination Staff, which was formed in the Ministry of the Interior, allocated part of its activities to research and propaganda, and these activities are the responsibility of this ministry's General Social Administration. Masjed Jame'i, of this administration, gave the following report on the research and propaganda activities: Following the formation of the Anti-Narcotics Smuggling Campaign Coordination Staff in the Ministry of the Interior, a decision was made to form research and propaganda units. A committee for this purpose was formed for the first time at a seminar held in Mashhad, and since this is seen as a social issue, the Ministry of the Interior's General Social Administration decided to research the formation of the above unit.

He continued: In any case, our propaganda approach is divided into two dimensions, the general and the regional. General propaganda is directed uniformly to all individuals and areas throughout the country, chiefly through the media, textbooks, educational facilities, newspapers, and the like. He added: Regional propaganda is carried out in view of the extensive social and cultural environments and the level of smuggling in various areas. For example, Sistan va Baluchestan and Kerman is a special area for us, and in the same connection Gonbad and Eastern Khorasan are also very important to us.

Discussing the cultural background in various areas which have led to the spread of addiction and narcotics smuggling, Masjed Jame'i then mentioned the appearance of this issue in Iran's folklore and literature. In the same connection, he added: It is natural that under such circumstances if we cannot make special cultural changes, all of our judicial and police organizations will not be able to reach a conclusion. For the addiction problem a general cultural mobilization must take place, and the clergy is generally the factor for its implementation. We thought that if we could cooperate closely with the clergy, we would be able to succeed admirably in this area. On this basis we established contact with the Islamic propaganda organization, and arrangements were made for the clergy to say things concerning narcotics in view of the conditions and exigencies of time and place, and to lay special emphasis on the relevant aspects of religious law. Our problem in this connection was, what should be said concerning addiction from a cultural perspective? For this purpose we prepared a pamphlet of about 100 pages titled "The Role of Addiction in Destruction and Domination," which we sent to the clergy, the Friday imams, and other propaganda organizations and groups.

He added: Overall, this move was successful and was able to gain good results. Another good move that the Ministry of the Interior made in this area was a theological decree issued by the Sunni clergy declaring narcotics to be religiously unlawful. This was a very basic step which prepared the way for police and judicial measures in the area, and a large quantity of narcotics was turned in. Of course little work has been done in this area, and more positive results could have been obtained.

Continuing his discussion of propaganda activities, he added: We have had reports that addiction is spreading among students, which is very unfortunate. Two steps were taken in this area. We sent a letter from the Ministry of the Interior to the Ministry of Education and Training and asked them to include material in textbooks such as those on sociology, history, and Persian language in various contexts, directly and indirectly

Table of Side Effects and Afflictions Resulting from the Consumption of Various Narcotics

Effects	Type of Narcotic							
	Heroin	Morphine	Codeine	Opium	Amphetamines	Cocaine	Barbiturates†	Marijuana, Hashish
Drowsiness	x	x	x				x	x
Hyperactivity					x	x		x
Restlessness, Irritability					x	x	x	x
Agitation	x	x	x	x	x	x		x
Euphoria	x	x	x	x	x	x		x
Depression				x			x	x
Hallucination		x			x	x	x	x
Irrational Behavior							x	
Talkativeness					x	x		x
Anxious or Defective Speech	x	x	x				x	
Laughter							x	
Trembling					x			x
Disequilibrium	x	x	x			x		
Weakened Reactions	x	x	x	x			x	x
Contraction of Pupils	x	x	x				x	
Expansion of Pupils					x	x		
Loss of Appetite	x	x	x	x	x	x		
Distortions of Time and Space								x
Constipation	x	x	x	x				

†Barbiturates: Sleep-inducing pills.

‡LSD: A hallucinogen.

The denial of narcotics to an addict has the following effects:

Restlessness, irritability, agitation, depression, hallucinations, paranoia, dizziness, trembling, tearing at the eyes and nose, sleeplessness, nausea, colic, and diarrhea.

The consumption of narcotics brings the following dangers:

physical or psychological addiction, increased consumption, confusion, lack of alertness, swollen liver, death due to the unavailability or excess consumption of the substance, psychological derangement, psychological distress.

dealing with the effects of addiction. In this regard we also contacted experts in the Textbook Organization, who said measures have been taken and will continue.

Another measure we took in this area was the publication of a pamphlet entitled "The European Disturbance," in cooperation with the Student Union of Islamic Societies, which was distributed in the schools. This was an appropriate undertaking.

On the other hand, in view of the expansion of addiction in the villages, which has a political side (farmers make up the largest group of addicts, followed by workers), with the cooperation of the Reconstruction Crusade, the matter was given attention and projects were created. Arrangements were made for the Reconstruction Crusade to do research in this area, as well as to write about it in its publication.

Another matter was the approval of a propaganda statement of purpose in with 15 articles.

Concerning research activities which have been carried out in this area, Masjed Jame'i said: A seminar was held in Hamadan to collect ideas and for the country's executive officials to become familiar with scientific and research areas, so that university people and professors would also become familiar with executive methods. We hope that it will be possible to bring about close cooperation and coordination practically and theoretically between these two groups, and, God willing, more useful and effective ways will be found to fight addiction.

9310

CSO: 4640/130

IRAN

EMIGRE PAPER VIEWS TIES WITH SYRIA, COMPROMISES

London KEYHAN in Persian 12 Dec 85 p 16

[London KEYHAN weekly in Persian; founder and publisher Dr Mesbahzadeh]

[Article by 'A. Navak]

[Text] Although the Islamic republic has resumed oil shipments to Syria, there is no indication that Damascus and Tehran have resolved all of their differences. Western diplomatic sources in Tehran, noting a joint announcement issued last week from Tehran by the Islamic republic and Syria at the conclusion of a visit by a high-ranking Syrian delegation, believe that among the various disagreements between the two countries, partial agreement has been reached on only two issues. Rather than the basis for the creation of subsequent agreement, this partial agreement is more like a concealment of a fire under the ashes of "immediate mutual interests."

Several days before Dr 'Abd al-Ra'uf al-Kasm, Prime Minister of Syria, came to Tehran at the head of a high-ranking delegation composed of the Foreign Minister, the Minister of Economy and Foreign Trade, the Minister of Industry, and the Minister of Mines, the newspaper EBRAR wrote in a discussion of Iran's relations with Syria: It is amazing that a friend does to us what an enemy has never done. They wound our friends in Tripoli and cut off the heads of the Imam's children in Beirut. They take 600 million dollars in tribute from America's agent Saudi Arabia to make peace with Jordan and Iraq, they openly stand against the sacred movement of Islam, and then when we stop sending them oil for a time for technical reasons and because of their failure to pay what they owe us, they create an uproar saying we are betraying the friendship.

The newspaper EBRAR ends by concluding that Islamic republic officials must clearly tell the Syrian delegation--which is to come to Iran soon--that a one-way friendship has no meaning, and that if Damascus really wants amicability and friendship with Tehran, it must at least respect the first principle of cooperation, which is mutual understanding and equally shared interests.

According to the reports in Beirut newspapers, the first thing Dr al-Kasm discussed with Mir Hoseyn Musavi when he came to Tehran was the unfriendliness of the Islamic republic press toward Syria in recent months.

It is said that the Syrian ambassador to Tehran, Colonel Ibrahim Yunis, who is a prominent communications officer in the Syrian Security Organization, has learned Persian well due to having lived in Tehran seven years. The moment Dr 'Abd al-Ra'uf al-Kasm arrived in Tehran, he gave him a translation of the EBRAR article and the analyses of the newspaper JOMHURI-YE ESLAMI concerning "plots against Islamic forces by polytheists and American agents in Lebanon."

Despite all this, the importance Tehran attached to the Syrian Prime Minister's trip shows that in these times of no support and isolation the Islamic republic is clinging to its tactical friendships tooth and nail, although these have been reduced in number as well, even if it is obliged in so doing to overlook a great many of its declared principles.

In the Syrian delegation's recent trip, the Islamic republic was only willing to resume shipments of free and cheap oil to Syria in exchange for the Syrian Prime Minister's agreement to meet with Hojjat ol-Eslam Baqer-Hakim, spokesman for the Supreme Islamic Revolutionary Council in Iraq, which was seen as a form of official recognition of this council. This is at a time when political conflicts between the Islamic republic and Syria remain in four important areas, and when the two parties were only able to agree to work to resolve the conflicts. What are these conflicts?

#### Four Conflicts

First, the differences between Syria and the Islamic republic arise out of the fundamental contrast between the world views and manner of seeing and believing in the two regimes with regard to the basis for governmental authority.

According to its constitution, the Islamic republic has a regime which espouses Islamic unity, and all of its efforts are aimed at removing the geographical boundaries in the Islamic world and creating an "Islamic internationalism." In this regime

governmental authority comes from that God whose vital representatives are the prophets, the imams, and after them the deputies of the Imam of the Age, the Chief Theologian and the grand ayatollahs.

A socialist regime is in power in Syria, where, based on the constitution, the Ba'th Socialist Party holds power given to it by the nation. There are three primary principles in this regime, "unity," in the sense of unity of the Arab nation, "freedom," in the sense of freedom for labor unions, federations, and guilds, and "socialism," in the sense of scientific socialism. It can be said that in the last 15 years the Alawite minority has come into the government as an elite group with more power than that of the party, and that the major security, military, and political posts are held by this minority, but in the framework of the governing system, party regulations are still the most important regulations. An Alawite officer may hold the most important communications post, but only with party confirmation through the Central Committee and the Supreme Council can he be elected to chief of the intelligence organization.

Thus, faith in Arab nationalism and efforts to realize ethnic internationalism, or "Arab unity," is in complete conflict with the belief of the leaders of the Islamic republic in Islamic unity and with their vigorous opposition to nationalism.

Likewise, concerning governmental authority, while the Ba'th party claims to be working for government of the people, the Islamic republic is not concerned with the people, and regards its authority as coming from that God.

When the Islamic republic was first established the Syrian Muslim Brotherhood, hoping that with the installation of an Islamic republic in Iran there would be a strong shelter for them in Tehran, hurried to meet with the ayatollah, but, due to the Islamic republic's higher interests and the latitude of its new religious authority, three manacled Muslim Brotherhood members were delivered to the Syrian Embassy in Tehran thanks to Syrian supporters in the Iranian government such as Dr Chamran and Sadeq Tabataba'i.

In a statement issued in May of 1979, the Syrian Muslim Brotherhood cited this incident and reported the execution of three leaders of this society in Damascus after they were extradited by the Islamic republic. Some time later, when the Raf'at Asad special force brought the city of Hama down on the heads of the Muslim brotherhood, killing more than 25,000 people, the Islamic republic declined even to condemn this act.



In the course of almost seven years since the Islamic republic came into power, the two parties have attempted, so far as possible, to conceal their basic differences on the above matters. Even so, these conflicts have emerged at times in connection with peripheral issues having to do in some way with the political world views of the two regimes.

The second conflict between the two regimes is based on Lebanon. Prior to the efforts of the Islamic republic, Syria had hoped that its unofficial influence in Lebanon would gain official status, and to install a government in this country that would be subservient to Syria, which at the same time would not differ greatly outwardly from the government in power in Syria.

After 1982 the Islamic republic purchased the loyalty of a great many of Lebanon's paramilitary groups by pouring money into the country, in contrast to Syria, which had come empty-handed into the country with only weapons and bullying.

In 1982, when the maximum cost of a rifleman was 300 dollars per month, the Embassy of the Islamic Republic, by paying 1,000 dollars, attracted many people to the ayatollah's version of Islam.

At this time, with the help of the Islamic republic's news media and the voices that had been purchased, a series of personalities were created in Lebanon who had been nothing more than village chiefs in Southern Lebanon or the Friday imams of mosques in remote hamlets.

These people include such persons as Sheikh Mohammad Hoseyn Fazlollah, Mohrim al-'Arefi, Sheikh Sa'id Sha'ban, Sheikh Salah Araqueh'dan, and Hoseyn Musavi.

Clearly, the semi-feudal Lebanese government, along with its warlords, were not willing to accept these people as participants in power. For this reason, to cope with these people--who had a great deal of money in their pockets--they turned to Syria.

Especially after the departure of the Palestinians from Lebanon, Damascus succeeded in filling the gap left they left behind.

From that time on Syria established a triumvirate of power in Lebanon, giving one third to the Druse, led by Walid Jumblat, one third to the Amal movement led by Nabih Berri, and a third to the Maronite Christians.

The Islamic republic, which expected to gain a portion of this triumvirate, spared no form of sabotage to prevent the implementation of Syria's plan.



The collision of interests between the Islamic republic and Syria reached its peak during the siege of Tripoli, when Tehran openly threatened Damascus that if it continued pressuring the Muslims of Lebanon it must expect a strong reaction from Tehran.

Syria paid little attention to these threats. The leaders of Syria are well aware that the Islamic republic's need for an Arab supporter in its war with Iraq makes it powerless to react against Damascus.

After al-Kasm's trip to Tehran it appears that currently the Islamic republic officially accepts Syria's role in Lebanon.

There is a great probability that Tehran's acceptance is due to guarantees given by Damascus that it will continue to stand beside the Islamic republic in the war with Iraq.

Beirut newspapers have reported that the Syrian prime minister promised the Islamic republic that the renewed relationships between Syria and Jordan and the secret talks between this country's security officials and the Iraqis will not damage relations between Tehran and Damascus.

But will there be any guarantees to support this promise? Syria's past behavior with regard to its allies shows that the Syrians have violated their commitments repeatedly.

#### Iraq's Future

Concerning the Iran-Iraq war and the ayatollah's dream of establishing a caliph-like scenario in Baghdad, despite its support of the Islamic republic in the war, Baghdad has taken views entirely in conflict with those of Tehran.

The Syrians, who are Iraq's rivals for leadership of the Ba'th party, have established the "Iraq Liberation Front" in Damascus, which includes Ba'th political leaders, Nasserists, and Iraqi communists opposed to Saddam Husayn, and have invited a group of Kurds to Damascus. For the last six years the Syrian press has presented this front as the successor to Saddam's regime.

Tehran, in turn, has assembled Islamic groups--including the al-Da'wah Party, the Mojahedin Movement, the Islamic 'Amal Party, and the Barzani Kurds--under the mantle of the Supreme Islamic Revolutionary Council of Iraq, and wants to install an Islamic government in Iraq led by this front.

Until al-Kasm's trip to Tehran, Damascus was in no way amenable to Iran's alternatives for Iraq. The Syrians have always looked upon individuals such as Seyyed Baqer-Hakim, who also had close relations with with Iran's former regime, with suspicion.

However, in exchange for renewed shipments of oil from Iran to Syria and Iran's official recognition of Syria's role in Lebanon, the Syrian prime minister, in a two-hour meeting with Hojjat ol-Eslam Baqer-Hakim, was willing for the first time to adjust his country's former position concerning the Supreme Islamic Revolutionary Council.

#### Economic Talks

The Syrian prime minister was accompanied on his trip by Farouk al-Shara', Minister of Foreign Affairs, Salim Yasin, Deputy Prime Minister, Muhammad al-'Imadi, Minister of Economy, 'Ussam Ni'man, Consulting Minister of Foreign Affairs, and Engineer 'Ali Tarablus, Minister of Industry. This is the highest-ranking Syrian delegation to visit Iran since the Islamic power was established.

The semi-official newspaper NESHVIN reported in its 2 December issue that the itinerary of the Prime Minister and his entourage included a visit to the Behesht-e Zahra Cemetery, reading the opening verse of the Koran over the graves of Raja'i, Bahrar, and Beheshti, visits to the Iran National factories, a talk with Musavi, and meetings with Khamene'i, Rafsanjani, and Velayati.

During these meetings, Iran agreed to a one-year extension of the repayment period for Syria's 1.7 billion debt to Iran.

According to Majlis Act 52012, dated 18 Shahrivar [9 Sep 1985], concerning the shipment of one million tons of free oil and five million tons of low-cost, Majlis deputies required the government to collect the remainder of Syria's debt to this country by 10 Mehr [2 Oct 1986].

The MEDALIST wrote in its December issue that Syria has not paid back even one dinar of its debt to Iran.

A thumbnail calculation shows that in delivering a million tons of free oil and five million tons of low-cost (\$2.50 below the market price) oil to Syria next year the Islamic republic will be paying 300 million dollars in tribute to Syria, to keep Damascus from abandoning the Islamic republic in its war with Iraq.

It is notable that Syria, by agreeing to the peace plan with Jordan and making efforts to resolve differences with Iraq--which was proposed and pursued by Saudi Arabian crown prince 'Abdullah--obtained an additional 350 million dollars from Saudi Arabia.

Among other results of the Syrian delegation's trip was the Islamic republic's agreement to ship 15,000 Peykan passenger and delivery cars at finished prices in exchange for Syrian agricultural and plastic products.

In the joint statement issued by Islamic Republic Prime Minister Mir Hoseyn Musavi and al-Kasm at the conclusion of the latter's trip to Tehran, Syria declared its support for the Islamic republic in the war with Iraq, but refrained from any sort of specific mention of the nature of this support. In the joint statement, both parties, while declaring their support for Libya against American and Egyptian imperialist plots, announced that they are prepared to use all their power to aid Colonel Qadhafi's regime.

In the concluding statement of 'Abd al-Ra'uf al-Kasm's visit to Iran, it was also said that the Syrian government has assurances that the Islamic republic has no territorial aspirations of any kind in Iraq. With this reference, the Syrians were refuting Iraq's claims that the Islamic republic wants to annex portions of Iraqi soil.

9310

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PAKISTAN

FULL RESTORATION OF POLITICAL PARTIES URGED

Lahore NAWA-I-WAQT in Urdu 3 Nov 85 p 10

[Editorial: "Political Parties--Do Not Have Mental Reservations"]

[Text] Federal Minister of Law and Parliamentary Affairs Iqbal Ahmad Khan told press representatives in Lahore that the draft of the political parties law will be submitted in the opening session of the National Assembly on 4 November and that he expected it to be passed in the same session. The draft law is of great importance because of the two basic stages which Prime Minister Mohammad Khan Junejo considers of fundamental importance for lifting martial law by 31 December 1985 (or even earlier). The first stage has been completed with the passing of the eighth constitutional amendment bill. The second requirement, according to the prime minister, is to the political parties law which he hopes will be approved unanimously as happened with the constitutional amendment.

The nature of the proposed political parties law will become clear after the draft is introduced in the National Assembly in the near future, but it is no secret that the now acceptable demand which has gained acceptance to keep this proposed political parties law out of the constitutional amendment bill will be heard again. According to the (brief) statement to the press by the federal minister of law and parliamentary affairs, political parties will be organized on a national basis, an election commission will be empowered to register them and the government will treat them all equally without any discrimination. Such broad principles have been briefly mentioned before and suggestions about the organization of political parties on a national basis have included such proposals as that parties should be required to obtain a proportionate number of votes in provincial as well as national elections and that parties that fail to meet this requirement should be disbanded. It has been proposed that parties be required to obtain 5 percent to 10 percent of the votes in nationwide elections and 2 percent to 5 percent of the votes in provincial elections. Under the leadership of Federal Minister of Interior Mohammad Aslam Khatak and Fida Mohammad Khan, the special committees of the National Assembly and Senate have also made certain suggestions in this connection which have been discussed in detail in both houses of parliament.

It is to be expected and hoped that in the draft law pertaining to political parties, the federal minister of law and parliamentary affairs has kept

in view not only the recommendations made in the report or the special committees but also the discussions of them in the National Assembly and the Senate. In the general discussions in the near future, it is naturally to be expected that what Iqbal Ahmad Khan said should form the most important topic. He said that, in 1990, elections would be held on a party basis, but in the interim, elections would be on a non-party basis. He was speaking with reference to the eighth amendment bill under which in the intervening period, the president will nominate for the office of prime minister the candidate he considers to be the most capable of receiving the National Assembly's vote of confidence. But Iqbal Ahmad Khan was probably not taking into account the fact that the term of office of provincial governors will end 2 years before 1990, that is, in 1988. One gets the impression from his statement that the method followed on the federal level will be different from that followed in the provinces. The hidden effects of such a dual approach are obvious and need no elaboration.

The influence of non-party politics on the mode of thought of the authorities is no secret. After the detailed discussion in the National Assembly on the restoration or reorganization of political parties when passing the proposed parties legislation was considered the second most important stage after the lifting of martial law, the president, nevertheless, in his recent speech in the National Assembly, laid particular emphasis on the continuation of non-party politics and methods in a non-party assembly elected on a non-party basis. It is not difficult to understand the president's wish and mode of thinking, but in view of the importance that the issue of the restoration of parties has gained and since a parties law is being passed, expressing hopes for non-party politics seems irrelevant in the present situation. To entertain such hopes seems "sheer madness" and an impossibility, as Iqbal Ahmad Khan has pointed out. The expectation being voiced that the proposed legislation on parties would be passed by general consensus as was the constitutional amendment bill does not seem practicable. If reliance is placed on a majority alone, the issue of a general consensus will become a thing of the past, and dissension and confrontation will lead to bitterness and unpleasantness. In order to achieve unanimity, there has to be give and take. It has been seen how, when the constitutional amendment bill was passed unanimously in the National Assembly, it was based on compromise, with an agreement being reached to present a ninth constitutional amendment bill before the eighth constitutional amendment could be approved in the Senate.

Obviously, when the restoration and reorganization of political parties comes about, the effect will be felt in the national and provincial assemblies which have been elected on a non-party basis and where, in the absence of political parties, the vacuum has been filled by government and independent parliamentary groups. Moreover, it is no secret that, even though parties are regarded as defunct, a large number of the elected members are connected with political parties. Undoubtedly, when political parties are restored, the connection of assembly members with these parties will become even more open. The point of view of the federal minister of law or the government may be important in itself, but the political process that has been started with the creation of elected assemblies cannot be held back. It

It is particularly important to note that political parties are an integral part of the parliamentary system claimed to have been established. It would thus be better to end mental reservations in matters concerning politics and democracy and to accept whole heartedly our political traditions, the people's mode of thought and temperament, the interests of the country and the people and the demands of the parliamentary system. While parties are being restored or reorganized, such things should not be said and done which would be difficult to accept mentally because they would appear to the people as not only out of step with the times but also contrary to the dictates of reason. After the restoration of democracy, the situation will not stay the same as it was under 8 years of martial law. The restoration of democracy will create its own conditions; insistence on mental reservations dictated by certain considerations will only add to the problems and will not create an atmosphere conducive to the healthy development of robust democracy.

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PAKISTAN

## SUPPRESSION OF BASIC RIGHTS FEARED

Karachi JASARAT in Urdu 29 Nov 85 p 3

[Editorial: "Even After Martial Law"]

[Text] Mr Iqbal Ahmad Khan, minister of law and parliamentary affairs, confirmed in an interview with the BBC that several articles of the constitution including basic human rights may still be suspended even after martial law is lifted. He added that he was not sure when these articles of the 1973 Constitution will be reinstated. This will be a presidential decision. Forming a political group, freedom of speech and assembly are included in basic rights.

The above statement by the minister of law and parliamentary affairs will worry every democracy-loving Pakistani. The question is what is the use of lifting martial law if basic rights are still denied us. During martial law, people do not worry about freedom of speech and writing or assembly since they know they are being ruled by force. Military law heeds no one but itself. However, at a time when there is talk of lifting martial law on 31 December 1985, a democratic government is being established, parliament is being furnished with full rights and military officers are telling us that all governmental affairs are being run by elected representatives, being told that there will be no changes in basic rights makes the whole thing a joke. Politicians who had boycotted the recent elections have been telling us that a parliament elected as the result of non-party elections cannot do anything about martial law. When Prime Minister Junejo announced that the sunrise of 1 January 1986 will not see any martial law, skeptical politicians had commented that the present martial law will change into civilian clothes. Now a public representative and a very important member of the civilian government is telling us that the basic rights will remain suspended even after martial law is lifted. There will be no freedom of speech or the press or the right to assemble. Should this happen, the people who have been elected to various legislative assemblies will not be able to appear in public. Not only that, but people who went out to vote in great numbers will regret it. They will know they were wrong to vote, anticipating democratic rule. We would like to ask this government to try to realize people's hopes even for once. If lifting martial law does not reinstate basic rights, will angels come down from heaven to do that! We dare to ask Iqbal Ahmad Khan Sahib the reasons for not reinstating basic

rights. If he does not know when these articles of the 1973 Constitution will be implemented then he should at least tell us who can answer this question.

According to some informed sources, after martial law is lifted, instead of giving us our basic rights, they will declare a state of emergency to prepare for the new government. President Zia can use the rights given him by article 232 of the Constitution to declare an emergency. He can suspend other articles, especially article 17, which permits people to unionize or form parties. The recent interview with the minister of law has confirmed these fears. After 8 years of martial law, steps began last February to bring democracy back to this country. We are expecting full democracy by 31 December. We are requesting our leaders not to create an atmosphere of suspicion and mistrust because we need people's faith in the establishment of democracy more than anything else. We just do not understand how a responsible cabinet officer could make statements that confuse and disappoint people in our nation. He is trying to undo a whole year's hard work. Several statements made during the last few weeks will force people to believe that martial law is here to stay. Will the president and the prime minister come forward and tell people what is happening?

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PAKISTAN

MUSLIM LEAGUE URGED TO ORGANIZE ITSELF

Lahore NAWA-I-WAQT in Urdu 1 Dec 85 p 2

[Editorial: "Responsibility of Muslim League"]

[Text] Pir Sahib Pagara has asked all Muslim Leaguers to be prepared to face various problems when martial law is lifted. He believes that the Muslim League is responsible for protection of the country's ideology, implementation of the Islamic government and keeping peace in the country. The Muslim League has given up the unenterprising role it has been playing for a long time. Pir Sahib made this statement while meeting a deputation of Muslim Leaguers from Sakkar in Pir Jogoth. He said that being the founding political party of Pakistan, its role does not need definition. Even though the Muslim League is also "defunct" like all other political parties, the appointment of Prime Minister Junejo as chairman of its reorganization committee clearly indicates a major role for Muslim League in the country's politics. Pir Sahib has already said that after martial law is lifted the Muslim League (like the Republican Party and the Convention League) will not be a government sponsored party. However, he added that it will be a Muslim League government. This is equivalent to accepting the huge responsibility.

The February 1985 elections were held on a non-party basis. However, it is believed that most of the elected politicians belong to the Muslim League, or as Pir Sahib put it, "subscribe to the Muslim League ideology." Recently an effort was made to associate the majority parliamentary group with the Muslim League. The members (including cabinet ministers), however, did not feel it appropriate to sign a written agreement to this effect since they had run in the elections against declared Muslim League candidates. It is believed, however, that when political parties are established, the majority of elected members of the National Parliament and the provincial assemblies will favor the Muslim League. Only time will tell; however, no body can hide the fact that people either openly belonging to Muslim League or sympathizing with it are all over the country. Actually, they are already being considered or called Muslim Leaguers. The Muslim League will become a major political party not only in the assemblies but also outside of it if proper attention is given it. However, we have to be careful about the power-hungry opportunists who change their loyalty whenever opportunity knocks. At the time of reorganization such people must be weeded out so

the authentic Muslim Leaguers are established in those important positions mentioned by Pir Sahib Pagara.

The mere possibility of the Muslim League's emergence as the largest party will not give it the influence it wielded when Pakistan was created. Other political parties have to join the Muslim League in protecting the national ideology, implementing an Islamic form of government and maintaining peace and order in the nation. They all have to cooperate during this transitional phase until martial law is lifted or even until the next general elections. The Muslim League, being the major party, will have to bear most of the responsibility. Being the founding party, it has to play an exemplary role in making the country strong, and an Islamic government stable. When democracy is fully established, the Muslim League will have an easy time and will have plenty of opportunities for its members. At that time all Muslim Leaguers must demonstrate patience, unity, self-discipline and an orientation to service to be successful. According to Pir Sahib Pagara, only positive action will remove the stigma that the Muslim League carries because of its long period of inactivity. The formal reorganization of the Muslim League will begin after martial law is lifted. However, leaders and intellectuals in the Muslim League should start doing their homework in the areas of the responsibilities Pir Sahib has mentioned. The responsibility will be imposed suddenly while the reorganization will take a long time.

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PAKISTAN

RETURNING PAKISTANI WORKERS ADD TO UNEMPLOYMENT WOES

Lahore NAWA-I-WAQT in Urdu 3 Nov 85 p 10

[Editorial: "Workers Returning from Foreign Countries"]

[Text] Haji Mohammad Hanif Tayeb, federal minister of labor and manpower, told the Senate that 9,000 Pakistani workers are returning each month. He said that because of the completion of construction projects for highways, buildings and so forth in Saudi Arabia, unskilled Pakistani workers would, in all probability, be returning home. He reassured the Senate, however, that the government had taken various measures to ensure the economic welfare of the returning workers and had included the creation of 3.3 million new job opportunities for them in the sixth development plan. The figures quoted by the Minister are undoubtedly correct; however, in regard to the measures for economic welfare, questions which need no explanation arise about their nature and expected result.

Pakistani workers overseas not only provide income for agents in Pakistan and for visa officers overseas, but they also contribute 600 or 700 rupees individually to the Pakistan treasury. Their collective contribution must now total several billion rupees. There has been much publicity about the plans to use this money in the interest of workers returning from overseas. The arrangements for transportation from airports to their residences and the acquisition of land lots and newly constructed houses in subdivisions is well known. Moreover, the gift and personal baggage schemes have so flooded homes and shops with foreign goods that articles made in Pakistan no longer have any appeal. But these individuals have not succeeded in saving any appreciable amount of money nor has the hope for increasing job opportunities, which is the first requirement for the economic well-being of returning workers, ever been realized. According to recent newspaper reports, the number of people in search of jobs has reached 500,000. The addition of 9,000 individuals a month to the ranks of job seekers will create a situation the gravity of which can be easily imagined. The difficulties will only increase with the passage of time.

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